Manitoba

Annual Report
2000 – 2001

Agriculture and Food

Includes 10% post-consumer waste

102-00199/

Minister of Agriculture
and Food

Room 165
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

To His Honour
Peter M. Liba
Lieutenant-Governor for
the Province of Manitoba

Your Honour,

I have the privilege of submitting the enclosed annual report of the Department of Agriculture and Food for the period April 1, 2000 to March 31, 2001.

During the 2000-2001 fiscal year we were pleased to release our new vision publication entitled, *Destination 2010*. This new document, our strategic roadmap, sets out achievable goals for our agriculture and food sector for the balance of this decade. Included within *Destination 2010* is our Department's newly defined mission dedicated to creating a supportive environment that advances the greater prosperity and stability of our farm families, other agriculture and food partners, and rural communities.

Our new vision calls for greater job creation and economic opportunities within our province's agriculture and food sector and rural communities. In particular, *Destination 2010*, calls for our Department to foster stronger family farms and more dynamic rural communities. We can only achieve our vision's goals by working closely with our partners. By doing so, together we can be more effective in maximizing our province's comparative advantages over our international and national competition.

In closing, our new vision reflects our optimism about the long-term future of our province's agriculture and food sector.

Yours truly,

Rosann Wowchuk

Rosann Wowchuk
Minister

2001

Manitoba

Deputy Minister of
Agriculture and Food

Room 159
Legislative Building
Winnipeg, Manitoba CANADA
R3C 0V8
(204) 945-3734

Honourable Rosann Wowchuk
Minister of Agriculture and Food
Province of Manitoba

Madam,

I am pleased to present the annual report of the Manitoba Department of Agriculture and Food for the twelve-month period ended March 31, 2001.

As you are aware in 2000/01 our Department conducted an extensive consultative process involving a broad cross-section of our partners and our staff. This process was driven by conviction that the future prosperity of our agriculture and food sector is based on Manitobans adapting and benefiting from change. This consultation culminated in the creation of our new vision document entitled, *Destination 2010*.

Our consultation focused on a series of discussion forums across the province. During these forums our partners told us about the challenges and opportunities facing our province's agriculture and food sector during this decade. Many of their ideas and suggestions were incorporated within our new vision.

While working closely with our farm family and industry partners, Manitoba Agriculture and Food will strive to achieve our new vision's goals towards building greater prosperity and stability within this important sector of our province's economy. We look forward to continuing our partnership with sector stakeholders in advancing our agriculture and food industry for the balance of this decade.

Respectfully submitted,

Don Zasada
Deputy Minister

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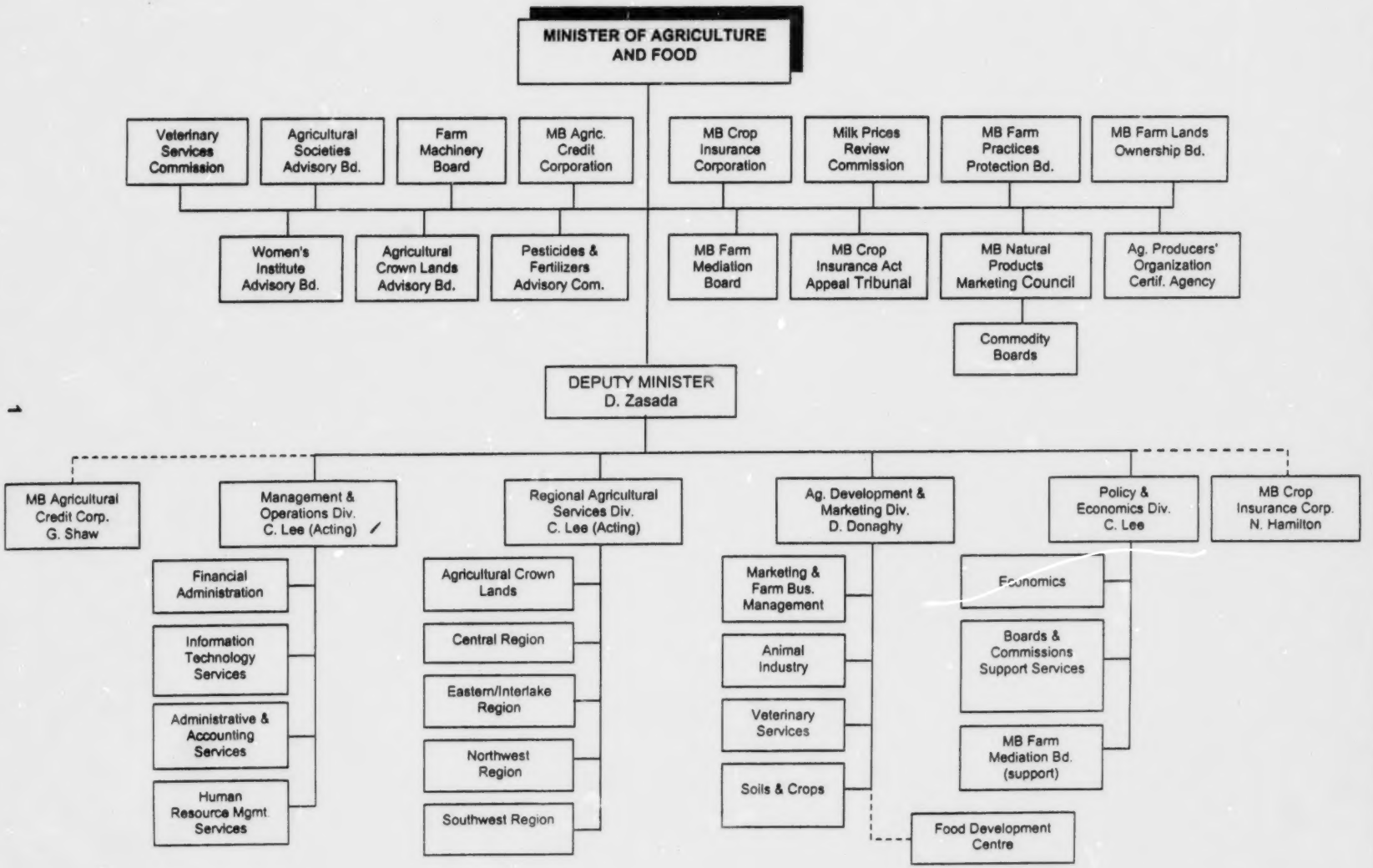
ORGANIZATION CHART OF MANITOBA AGRICULTURE AND FOOD


MINISTER OF AGRICULTURE AND FOOD
Veterinary Services Commission
Agricultural Societies Advisory Bd.
Farm Machinery Board
MB Agric. Credit Corporation
MB Crop Insurance Corporation
Milk Prices Review Commission
MB Farm Practices Protection Bd.
MB Farm Lands Ownership Bd.
Women's Institute Advisory Bd.
Agricultural Crown Lands Advisory Bd.
Pesticides & Fertilizers Advisory Com.
MB Farm Mediation Board
MB Crop Insurance Act Appeal Tribunal
MB Natural Products Marketing Council
Ag. Producers' Organization Certif. Agency
Commodity Boards
DEPUTY MINISTER D. Zasada
MB Agricultural Credit Corp. G. Shaw
Management & Operations Div. C. Lee (Acting)
Financial Administration
Information Technology Services
Administrative & Accounting Services
Human Resource Mgmt Services
Regional Agricultural Services Div. C. Lee (Acting)
Agricultural Crown Lands
Central Region
Eastern/Interlake Region
Northwest Region
Southwest Region
Ag. Development & Marketing Div. D. Donaghy
Marketing & Farm Bus. Management
Animal Industry
Veterinary Services
Soils & Crops
Food Development Centre
Policy & Economics Div. C. Lee
Economics
Boards & Commissions Support Services
MB Farm Mediation Bd. (support)
MB Crop Insurance Corp. N. Hamilton

PREFACE

Purpose and Organization of the Annual Report

This report was prepared by the Manitoba Department of Agriculture and Food to summarize the activities and accomplishments of the Department during the 2000/2001 fiscal year.

There are three major sections included within this report. The first section describes the activities, expenditures and accomplishments of the Department according to sub-appropriation number.

The second section contains summary tables comparing actual 2000/2001 expenditures and revenues with budgeted estimates for the same year. The 2000/2001 figures are also compared with actual expenditures and revenues for the previous fiscal year.

The last section includes a five-year historical comparison of expenditures and staffing by appropriation number.

Mission and Role

Mission and Role

The Department's mission and role statements support the provincial government's commitment to improve the quality of life of all Manitobans. Manitoba Agriculture and Food is committed to the overall provincial strategic priorities of community and economic development, sustainable development and fiscal responsibility.

The mission statement defines the common goal of the Department and its staff. The role statement defines how our organization will achieve its mission. The Department's mission and role statements are as follows.

Mission
We are dedicated to creating a supportive environment that advances the greater prosperity and stability of our farm families, other agriculture and food partners, and rural communities.

Role
Within a sustainable agriculture framework we provide leadership and a range of information, programs and services in support of our mission.

Our New Vision

The publication entitled, ***Destination 2010,*** sets out the Department's new vision for the balance of this decade. This publication includes a vision statement that provides an overview of a desired and achievable state of the province's agriculture and food industry – and ourselves as an organization – by the year 2010. The vision statements listed below state what this Department will strive to achieve while working with our farming and industry partners.

- Our farm families, agriculture and food partners and rural communities will achieve a higher quality of life by becoming more prosperous and economically stable.

- Manitoba's agriculture and food sector will be more profitable and competitive through expanded diversification and adding value, a growing livestock sector, and greater market orientation – all within a sustainable agriculture framework.

- Our rural communities will be more healthy and dynamic through expanded local economic and employment opportunities, based on a growing agriculture and food sector.

- Our Department will be the leading-edge provider of unbiased technical and up-to-date information to our clients.

Creation of Our New Vision

Manitoba Agriculture and Food released its new vision document, *Destination 2010*, in January 2001. This document was the result of a lengthy consultative process throughout which staff worked closely with the Honourable Rosann Wowchuk, Minister of Manitoba Agriculture and Food.

Seven task teams of Department staff met with a cross-section of our partners in industry and on the family farm. These partners spoke about the challenges and opportunities facing Manitoba's agriculture and food sector during this decade. They also re-confirmed that Manitoba Agriculture and Food must work closely with family farmers and industry to maximize this province's economic strengths and natural advantages in support of healthy rural communities.

The Department was encouraged by the high level of participation of people who have a stake in the future of the province's agriculture and food industry. The seven task teams met with 178 of Manitoba Agriculture and Food's partners during discussion forums held from March to early May of 2000. Staff heard from 105 family farm members and 73 other stakeholder partners. A total of 106 organizations were represented at these discussion forums held across Manitoba.

Philosophy and Values

The Department's philosophy and values are based on a fundamental caring commitment to people — our clients and our employees. This caring commitment as found in the following statements has stood the test of time. These statements define who we are and our attitude towards others.

The People We Serve — Our Foremost Priority

The people we serve is why our Department exists.

We work together as a team with our clients to advance our province's agriculture and food industry.

The people we serve range from farm families, food processors, consumers, and Cabinet, to other government departments and to our fellow employees.

Our Best Job Performance

We, as employees, are committed to giving our best job performance every day with pride and professionalism.

We Are One Organization

We all share a commitment to our Department, a greater whole, that takes precedence over any of its parts.

Similarly, we all share a greater commitment to the Government of Manitoba and its priorities.

At all employee levels we strive to understand our roles within our Department's overall mission, goals, beliefs and values.

We Are Public Trustees

We are entrusted with managing funds and other resources owned by the public we serve.

At all employee levels we are committed to ensuring that we make the most effective and efficient use of the public resources entrusted to our care.

Within our organization's philosophy and values the primary statement we adhere to is our commitment to "The People We Serve – Our Foremost Priority". In effect, this client-focused commitment serves as the foundation that our other beliefs are built upon. Throughout the decades Manitoba Agriculture and Food's strategic priorities have undergone considerable change. But our primary commitment has essentially remained the same – and no doubt will continue to remain so in the long-term future.

Motivation, Morale and Recognition Strategy

Manitoba Agriculture and Food has a Motivation, Morale and Recognition Strategy to meet the needs of staff and address the challenges of public sector organizational culture. A formal peer recognition program forms the basis of the strategy. Under the program, individuals or teams are recognized and rewarded for their achievements in:

- developing innovative programming with a process to serve clients better;
- demonstrating tireless dedication to their work and striving for excellence;
- enhancing the work experience of themselves and others while remaining committed to quality and client service; and
- providing exemplary commitment to client satisfaction, consistent quality service, and an understanding that their client is number one priority.

The Department also embarked on a people-based management initiative as a means to motivate staff and boost morale. Managers within the Department recognize that visionary leadership, communication, informal recognition, personal development, team building and service quality are integral components in the achievement of a highly motivated workforce. A "toolkit" along with training on the basics of people management was developed for Managers.

MANITOBA AGRICULTURE AND FOOD

Executive

Honourable Rosann Wowchuk, Minister

D. Zasada, Deputy Minister

D. I. Donaghy, Assistant Deputy Minister
Agricultural Development and Marketing Division

C. E. Lee, A / Assistant Deputy Minister
Management and Regional Agricultural Services Division

C. E. Lee, Assistant Deputy Minister
Policy and Economics Division

G. O. Shaw, General Manager
Manitoba Agricultural Credit Corporation

N. Hamilton, General Manager
Manitoba Crop Insurance Corporation

Directors/Managers

Administrative and Accounting Services -- D. H. Burch
Financial Administration -- M. Richter
Information Technology Services -- D. Brothers
Human Resource Management Services -- G. Brunette
Marketing and Farm Business Management -- D. Gingera-Beauchemin
Animal Industry -- J. Taylor
Veterinary Services -- A. Preston
Soils and Crops -- B. Todd
Northwest and Agricultural Crown Lands -- B. McCannell
Southwest -- W. Digby
Central -- B. Yusishen
Eastern/Interlake -- A. Dickson
Economics -- G. A. Fearn
Boards and Commissions Support Services -- G. H. MacKenzie
Manitoba Farm Mediation Board -- H. Nelson

PART A

PROGRAM AND FINANCIAL

INFORMATION

Administration and Finance (1)

The Administration and Finance Division assists the Department in planning operational policies and programs. It ensures that the Department's activities are implemented efficiently and effectively. It also provides central support service to management and staff.

During 2000/2001, the organization components within this Division were Financial and Administrative Services, Information Technology Services and Human Resource Management Services.

Minister's Salary (1a)

This expenditure provides additional compensation to an individual appointed to the Executive Council.

1 (a) Minister's Salary

Expenditures by Sub-Appropriation	Actual 2000/2001 $ (000's)	Estimate 2000/2001 FTE	Estimate 2000/2001 $ (000's)	Variance Over / (Under)	Expl. No.
Salaries and Employee Benefits	27.1	1.00	27.3	(0.2)	
TOTAL EXPENDITURES	27.1	1.00	27.3	(0.2)	

Executive Support (1b)

Executive Support is responsible for providing leadership, direction and communication in the effective implementation of Department-wide goals and priorities. A key responsibility of this organizational unit is to advise the Minister on strategic and program options in compliance with government policies. Executive staff also ensure that all Department resources are allocated in accordance with government policies and priorities. The assurance of value for money and efficient and effective program delivery, remained a major Manitoba Agriculture and Food priority of Executive Support.

1 (b) Executive Support

Expenditures by Sub-Appropriation	Actual 2000/2001 $ (000's)	Estimate 2000/2001 FTE	Estimate 2000/2001 $ (000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	440.5	9.00	463.5	(23.0)	
(2) Other Expenditures					
-Grants/Transfer Payments	6.0		15.9	(9.9)	
-Other	82.8		52.4	30.4	
Total Other Expenditures	88.8		68.3	20.5	
(3) Policy Studies					
-Grants/Transfer Payments	16.6		16.7	(0.1)	
-Other	34.4		54.5	(20.1)	
Total Policy Studies	51.0		71.2	(20.2)	
TOTAL EXPENDITURES	580.3	9.00	603.0	(22.7)	

Financial and Administrative Services (1c)

The Financial and Administrative Services Branch provides financial management and administrative support to Manitoba Agriculture and Food programs. This support is provided by Administrative and Accounting Services, as well as the Financial Administration unit.

The Branch is involved in directing, developing and administering financial support systems, financial planning, control, management and reporting systems in the Department. With the implementation of SAP and the subsequent decentralization of financial authority and operational responsibility, the Branch continues to lead a major initiative to redefine a comptrollership framework for the Department. This initiative will further ensure the efficient utilization and administration of the Province's fiscal and human resources within Manitoba Agriculture and Food.

The Financial and Administrative Services Branch also provides leadership and strategic direction to Service 1st and Treasury Board initiatives, such as Better Methods and Manitoba Measures.

Branch staff process revenue and central based expenditures in accordance with legislative, departmental and Treasury Board requirements. As well, staff co-ordinate the procurement card process, asset management, departmental fleet vehicles, parking program, requests under *The Freedom of Information and the Protection of Privacy Act* (FIPPA), the summer student program and the administration of the Agricultural Sustainability Initiative (Covering New Ground) involving 64 agreements, and the Elk Management Fund. Staff also co-ordinate and edit the Department's Annual Report.

The Financial Administration unit provides management, financial, program and related systems research and analysis for the Department, Cabinet and Treasury Board. Staff compile annual estimates, quarterly cash flows, capital supply estimates, management reports, fund transfers and financial information for various information requirements needed for the Annual Report, Treasury Board reviews and the Legislative Estimates Debate. Staff also provide cash management support for the co-ordination of cost centre and internal order development.

Accounting Services processed expenditure and transfer payments involving Manitoba Crop Insurance Corporation, Net Income Stabilization Account, Accommodation Cost Recovery, Manitoba Telecom System, Mail Management Agency, Desktop, procurement cards and other special payment requests such as the Manitoba Farm Disaster Assistance Program, Canada Manitoba Adjustment Program 2, and Agricultural Income Disaster Assistance. Approximately 3,000 transactions in operating and capital expenditures were processed by Accounting Services, along with branch/division audits and year-end accrual entries. All payments were processed electronically, resulting in an average process time of five days with an error rate of less than one percent.

1 (c) Financial and Administrative Services

Expenditures by Sub-Appropriation	Actual 2000/2001 $ (000's)	Estimate 2000/2001 FTE	Estimate 2000/2001 $ (000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	694.0	15.39	771.3	(77.3)	
(2) Other Expenditures	499.7		546.1	(46.4)	
TOTAL EXPENDITURES	1,193.7	15.39	1,317.4	(123.7)	

Information Technology Services (1d)

The objective of the Information Technology Services Branch is to co-ordinate, plan, implement and manage the required information technology resources to enable the Department to meet its business goals, objectives and opportunities. Along with providing computer management services and expertise for all user levels within the Department, the Branch provides advice to senior management on all information technology related matters. This assistance is aimed at ensuring that information technology resources are applied in a strategic, consistent and economic manner that address overall Departmental objectives.

Information Technology Services provides the Department with assistance in system analysis, design and development; ongoing system maintenance; system integration; technology research and development; technology planning; and specialized hardware/software purchasing.

As the technology in the department's systems increase, there is a greater demand to strategically manage and direct these resources. Information Technology Services plays a vital role in co-ordinating the acquisition of technology with the establishment of information systems, which aids in the delivery of departmental programs.

During 2000/2001 staff expanded Geographic Information Systems (GIS) use in the department with the development of two products, the LM-Editor which is a land based drawing tool and Agri-Maps which is web based access to digital maps. The branch provided advice and direction to the Manitoba Agricultural Credit Corporation (MACC) on its continued development of their loans management system – ECLIPS System. Staff provided technical support for the website, which has seen substantial growth in the past year and requires an increasing commitment to maintain the underlying technologies supporting the Home Page.

Staff worked on a veterinary laboratory system, developing the initial prototype. The 4-H system was enhanced to take advantage of the provincial data network. A Manure Research Project Tracking System was developed. This system is shared by Manitoba, Saskatchewan and Alberta, with Manitoba hosting the system.

1 (d) Information Technology Services

Expenditures by Sub-Appropriation	Actual 2000/2001 $ (000's)	Estimate 2000/2001 FTE	Estimate 2000/2001 $ (000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	374.6	6.00	405.4	(30.8)	
(2) Other Expenditures	69.2		64.3	4.9	
TOTAL EXPENDITURES	443.8	6.00	469.7	(25.9)	

Human Resource Management Services (1e)

The Human Resource Management Services Branch is responsible for the development, implementation, administration and monitoring of the Departmental human resource programs and systems. Elements of these programs include: recruitment and selection; wage and salary administration; staff training and development; performance review/evaluation; employee relations; personnel records; benefits and payrolls. In addition, the Branch provides planning and consultation, as well as human resource services and assistance to the management of the Manitoba Agricultural Credit Corporation (MACC), and the Food Development Centre (FDC).

During 2000/2001, Human Resource Management Services assisted in filling 61 positions, as well as assisting with the recruitment of 68 students for temporary employment.

Human Resource Management Services continued to support the French Language Services Plan to ensure French language initiatives meet strategic needs. Agricultural programs and services are offered in French to producers in various French language designated areas throughout Manitoba. The Branch also utilizes a bilingual publication targeted to high school youth to promote and market the diversity, challenges and career opportunities in the Department.

The Branch continued to administer the Department's pay/benefits system and classification system. It also maintained payroll benefit records for staff, including employees from MACC and FDC. The Branch continued to provide comprehensive human resource services and co-ordinated leadership for Manitoba Agriculture and Food, Intergovernmental Affairs, MACC and FDC.

The Branch continued to focus on specialized training versus general training and in 2000/2001 specialized training focussed on areas such as Professional Update, Management Update, Orientation Program, Succession Planning, Retirement Planning, Respectful Workplace, Desktop Management and SAP training. The Branch continued to deliver a comprehensive orientation program in Manitoba Agriculture and Food and Intergovernmental Affairs.

Branch staff assisted in the resolution of various labour relations issues in consultation with Department management, supervisors and employees as well as Labour Relations and the Manitoba Government Employees Union.

1 (e) Human Resource Management Services

Expenditures by Sub-Appropriation	Actual 2000/2001 $ (000's)	Estimate 2000/2001 FTE	Estimate 2000/2001 $ (000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	245.7	5.00	265.0	(19.3)	
(2) Other Expenditures	48.8		51.3	(2.5)	
TOTAL EXPENDITURES	294.5	5.00	316.3	(21.8)	

Risk Management and Income Support Programs (2)

Manitoba Crop Insurance Corporation (2a)

The Manitoba Crop Insurance Corporation (MCIC) is responsible for the development and delivery of the all risk Crop Insurance Program as provided for in *The Crop Insurance Act*.

During 2000/2001, about 13,700 producers (10,500 separate production units) were insured. Insurance was provided on 44 crops, covering about 8.7 million acres. Over 80 percent of the cultivated acres in Manitoba are covered by crop insurance.

MCIC administers the Wildlife Damage Compensation Program, under which producers are compensated for damage to agricultural products caused by big game animals and migratory waterfowl. Compensation is also paid for domestic animals killed or injured by predators.

MCIC offers separate hail insurance to those producers who are enrolled in the Crop Insurance Program. Producer premiums cover all of the related costs, including administration.

Although the Gross Revenue Insurance Program (GRIP) was terminated in Manitoba at the end of the 1995/1996 crop year, MCIC continues to be involved in finalizing the program.

MCIC's 2000/2001 activities and financial results are summarized in the MCIC Annual Report.

2 (a) Manitoba Crop Insurance Corporation

Expenditures by Sub-Appropriation	Actual 2000/2001 $ (000's)	Estimate 2000/2001 FTE	Estimate 2000/2001 $ (000's)	Variance Over / (Under)	Expl. No.
Grants/Transfer Payments:					
(1) Administration	3,547.5	100.00	4,211.4	(663.9)	1
(2) Premiums	25,570.1		27,600.0	(2,029.9)	2
(3) Wildlife Damage Compensation	1,576.2		1,000.0	576.2	3
TOTAL EXPENDITURES	30,693.8	100.00	32,811.4	(2,117.6)	

1. *The variance under authority was mainly due to low claim related expenses resulting from lower than anticipated claim activity, partly offset by a decrease in federal and other recoveries.*

2. *The variance under authority was mainly due to lower than expected participation in the high dollar value option and lower than projected final crop values. These decreases were partially offset by higher than expected insured acres.*

3. *The variance over authority was mainly due to increased claim activity in Big Game, Waterfowl and Livestock Predation.*

Net Income Stabilization Account (2b)

The Net Income Stabilization Account (NISA) provides producers of grains, oilseeds, special crops, edible horticulture crops, cattle, hogs and other livestock, with comprehensive, predictable and individually-targeted net income stabilization. The program, initiated during 1991/1992 for the 1990 farm tax year, is administered by a federal NISA Administration.

NISA assists producers with risk management, by encouraging funds to be set aside into their individual account in good years, for withdrawal in poor years. Producers may contribute up to three percent of their eligible net sales, which is matched by governments on a cost sharing arrangement involving two-thirds federal contributions and one-third provincial contribution.

In addition, farmers can contribute up to an additional 20 percent of eligible net sales to their account. These funds are not matched by governments. All of the producer contributions earn a bonus of three percent interest over market rate. The funding for the bonus interest of three percent is shared equally by the federal and Manitoba governments.

During the 2000/2001 fiscal year (1999 stabilization tax year), 19,609 Manitoba producers, representing $2 billion of eligible net sales, participated in the program (averaging $102,000 in eligible net sales per participant). Manitoba producers made new deposits of $31 million and provincial and federal NISA contributions for Manitoba farmers were approximately $44 million. Manitoba farmers had $448 millicn in NISA accounts on March 1, 2001 (averaging about $22,288 per participant). There were 5,250 producers that made withdrawals from their accounts. They withdrew $56 million or an average of $10,667 per producer withdrawal.

2 (b) Net Income Stabilization Account

Expenditures by Sub-Appropriation	Actual 2000/2001 $ (000's)	Estimate 2000/2001 FTE	Estimate 2000/2001 $ (000's)	Variance Over / (Under)	Expl. No.
-Grants/Transfer Payments	18,883.5		19,200.0	(316.5)	
TOTAL EXPENDITURES	18,883.5		19,200.0	(316.5)	

Manitoba Agricultural Credit Corporation (3)

The Manitoba Agricultural Credit Corporation (MACC) operates under *The Agricultural Credit Corporation Act.* MACC's purpose is to participate in meeting the financial requirements of the agricultural community, thereby contributing to a Manitoba economy that is globally competitive. The Corporation meets these financial requirements by providing direct loans, operating loan guarantees, feeder association loan guarantees and diversification loan guarantees to Manitoba farmers. As requested, MACC delivers emergency and special assistance programming to Manitobans. Special emphasis is placed on the young, beginning and/or expanding farm operations. Equally important is MACC's role in farm diversification and value-added production, which are vital to the stability and future of many rural communities.

MACC's Young Farmer Rebate offers eligible young farmers (39 years of age and under) a two percent rebate on the first $100,000 of MACC loan principal, for each of the first five years of the loan, to a lifetime maximum of $10,000. In 2000/2001, MACC clients earned rebates totalling $1.6 million.

During the 2000/2001 fiscal year, MACC maintained strong levels of activity in all program areas. Program activity included the following:

Direct Lending	$64.5 million
Comprehensive Refinancing Loans	$ 1.0 million
Flood Proofing Loans	$ 3.6 million
Diversification Loan Guarantees	$25.8 million
Manitoba Cattle Feeder Associations Loan Guarantees	$27.9 million
Guaranteed Operating Loans	$19.9 million

MACC remained committed to providing responsive programming as Manitoba farmers continued to face many challenges and opportunities in the agriculture and agri-food industry. As a result of program reviews and consultations with stakeholders, programming modifications were made to assist farmers in the maintenance of viable operations and in taking advantage of diversification and adaptation opportunities.

The Corporation's specific 2000/2001 lending activities and financial data are detailed in MACC's Annual Report.

3 Manitoba Agricultural Credit Corporation

Expenditures by Sub-Appropriation	Actual 2000/2001 $ (000's)	Estimate 2000/2001 FTE	Estimate 2000/2001 $ (000's)	Variance Over / (Under)	Expl. No.
-Grants/Transfer Payments:					
-Administration	4,567.7	60.00	4,131.5	436.2	1
-Net Interest Cost & Loan Guarantees	(619.8)		640.0	(1,259.8)	2
-Provision for Impaired Loans	756.6		800.0	(43.4)	
-Special Farm Assistance	72.5		200.0	(127.5)	
-Flood Proofing Loan Assistance	158.9		658.7	(499.8)	3
-Manitoba Producers' Recovery Program	183.8		183.8	-	
TOTAL EXPENDITURES	5,119.7	60.00	6,614.0	(1,494.3)	

1. *The variance over authority was due to higher costs than anticipated for the Business Function Review and lower loan administration fee revenue due to less activity than anticipated.*

2. *The variance under authority was due to lower financing costs than anticipated as less money than expected had been borrowed by MACC, and a one time income amount from revaluation of the provision requirement for Young Farmer Rebate, partly offset by a higher than anticipated guarantee provision due to increased activity.*

3. *The variance under authority was due to lower than anticipated outstanding loan balances resulting in decreased valuation allowance requirement and lower than anticipated interest costs due to declining loan activity as the program winds down.*

Agricultural Development and Marketing (4)

The Agricultural Development and Marketing Division provides specialist services to field staff, producers and food processors. The Branches within the Division are Marketing and Farm Business Management, Animal Industry, Veterinary Services, Soils and Crops, and the Food Development Centre.

Marketing and Farm Business Management (4a)

The objective of the Marketing and Farm Business Management Branch is to strengthen the competitive position of Manitoba's agriculture and agri-food industry in the global marketplace. In support of this objective, the Branch provides reliable and unbiased marketing and farm business management services and information, facilitates industry promotion through collaboration and alliances, and partners in building a more diversified rural Manitoba through leadership development of youth, families and communities. The Branch is committed to excellence in information dissemination, consultation and training on a province-wide basis. Timely delivery of programs and services is supported with media promotion, reference materials, publications and other resources.

The Branch achieved a variety of results in the following areas during 2000/2001:

Agricultural Societies

Agricultural Societies are the longest standing organization in many rural communities. Their objectives include leadership development, improvement in agriculture, horticulture, and home living, as well as the overall promotion of the progress of agriculture.

Agricultural Societies provide a focal point to educate both urban and rural constituents about agriculture. Many Agricultural Societies promote agriculture awareness through activities such as Brandon's Provincial Exhibition "Through the Farm Gate" program, Red River Exhibition's "Farm Family of the Year" program and "Farm and Food Days" as well as numerous displays and activities at fairs and exhibition trade shows.

Agricultural Societies partner with other organizations, such as 4-H and the Manitoba Women's Institute, as well as Manitoba Agriculture and Food staff on seminars, tours, courses and educational displays. Other community organizations and local governments also derive direct economic benefits from the agricultural society's activities such as their fairs and exhibitions.

In Manitoba there are 62 agricultural societies, comprised of about 15,000 members, who volunteer their time for their society. It is estimated that over 160,000 people attend the fairs and exhibitions annually, generating over $1 million of revenue into rural Manitoba.

The Department provided grant assistance of $368,400 to agricultural societies for fairs, exhibitions, educational events, as well as building improvements and equipment purchases. Along with the general administration of the program, grant assistance is provided to the Manitoba Agricultural Hall of Fame, the Manitoba Light Horse Association, and the Canadian Western Agribition.

The Department is responsible for the administration of *The Agricultural Societies Act*, which includes the activities of a Superintendent. As well, the Superintendent is responsible for the

Century Farm Program and works in the program areas of leadership and community development with the Manitoba Association of Agricultural Societies Advisory Board.

Century Farm Program

The Century Farm Program recognizes and honours pioneer farm families who have maintained a farm in one family for 100 consecutive years.

In 2000/2001, 85 farm families received Century Farm recognition. Gate signs, certificates and official presentations took place around the province, giving the families well-deserved recognition for their contribution to Manitoba's agriculture and agri-food industry. Almost 1,200 Manitoba farm families have been recognized through the Century Farm Program. Manitoba Agriculture and Food works with the Manitoba Historical Society in determining the eligibility of the nominees.

Home Economics

The mission of the Home Economics Section programming is to build decision-making skills and knowledge that achieve prosperity for farm families, agri-businesses, rural organizations and communities. These programs and services are developed recognizing that people-based decisions are key to the sustainability of family farms and value-added businesses, and to the development of dynamic rural communities.

With the current agriculture environment of financial constraints and demands for adaptation, many farm and rural individuals are faced with challenging situations that are often stressful. The Section, with Manitoba Health, participated in the development of the Manitoba Farm and Rural Stress Line. The Line was established in December 2000, and funded by Manitoba Health, with Klinic contracted as the delivery agent. Line staff were hired and a directory of human resource services is being compiled. During this start-up period, Line staff serviced 127 calls. An Implementation Committee of interested stakeholders guided the development of the Line service. A formalized Advisory Board will provide ongoing policy and program direction.

Home Economics farm and rural stress fact sheets and programs also assisted families. Seven presentations reached 175 individuals and 12 stress-related information fact sheets received 11,482 Internet hits.

Given that 31 percent of Manitoba farmers are age 55 or over, a significant number of farm transfers will be completed over the next ten years. The Section works closely with the Farm Management Section and agri-food industry partners in developing and delivering family farm business transfer programs. The following programs are focussed on the success of the young and beginning farmer in assuming management of the family farm business:

1) Project 2000

- Promotion of departmental resources suited to helping young and beginning farmers achieve success, including plans for ready-to-use news releases, and a producer-friendly "success booklet".

2) Family Farm Business Advisor Suite of Resources

- The target audience includes professionals (lawyers, accountants, insurance agents, farm management consultants/specialists, and home economists) who work directly with farm families.

- There were 107 professionals who attended one of three training seminars held in Winnipeg, Brandon and Roblin. Seventy-six professionals purchased a new or updated manual, CD or Internet format, which is the most recent of resources available for advisors.

3) Farm Family Financial Decision-Making

- Development and maintenance of a series of 22 informational fact sheets which received 21,320 Internet hits.

- Annual updating of family living cost data base and production of Budget Guides for professionals to use during individual counselling of clients.

Support to entrepreneurial and rural value-added business development is a priority in helping farm families diversify their incomes. The Section provides technical information and assistance in building leadership and management skills. Section activities and resource development in support of value-added/diversification included:

- "Agriculture: Producers Making It Happen – Recapturing Income on Your Farm" Conference; 107 producers and industry stakeholders focussed on Manitoba-made successful diversification and adding value options and opportunities.

- "Kitchen to Market Pack" (The Blue Box) - 25 original Blue Boxes were updated; 10 new Blue Box packs were developed and distributed to meet the demand.

- Educational Presentations - Six presentations given to over 200 entrepreneurs and over 370 individual consultations with clients and staff.

The Section delivered a variety of messages to consumers and food processors with a strong focus on food safety and quality:

- Food Safety Feature Web Pages - Food safety and quality section and qualified scientific links established on the departmental site.

- 16,482 Internet hits to eleven English fact sheets and 3,030 Internet hits to eight French fact sheets

- Biotechnology Education - New resources focussed on scientific information related to biotechnology, as well as presentations to staff and organizations, including 127 health professionals.

- Food Processing Entrepreneurs - Staff and client training sessions such as Food STEPS, with Animal Industry Branch and Food Development Centre reaching 73 individuals.

- Member of the Canadian Partnership in Food Safety Consumer Education - 2000/2001 campaign resulted in distribution of *Fight Bac* educational materials to grade three school classrooms. As well, one television station aired public service announcements.

- "Living with Livestock Production" series - Two new brochures developed in conjunction with Animal Industry Branch and other stakeholders on the topics of Siting a Livestock Operation and Land Application of Manure. This completes six out of the 10 brochure series.

Risk communication skills training remains a high priority for staff, producers and industry. A study group of regional staff and partners completed four training sessions.

Department representation on the Manitoba Women's Institute Provincial Board is provided by the Section. The Board's primary focus is on leadership development. The Manitoba Women's Institute was granted $35,300 for programming. Support was given to the 14th Manitoba Farm Women's Conference which attracted 201 participants, 12 rural entrepreneurs for the Mini Market and 40 industry sponsors.

Manitoba Agriculture and Food strongly supports community education and activities to prevent farm injury and fatalities. Facilitation of leadership development and program activities were conducted with community-based farm safety partners including Manitoba Farmers with Disabilities, five Farm Safety 4 Just Kids Chapters and 4-H groups. Manitoba Agriculture and Food's Provincial Farm Safety Co-ordinator actively pursued a partnership initiative with Worker's Compensation Board to enhance the co-ordination of Manitoba's community-based farm safety programs, with the initiative to be implemented in the next year. As well, the Co-ordinator provided leadership to national initiatives such as the Chair of the Canadian Coalition for Agriculture Safety and Rural Health.

4-H and Youth

The mandate of the 4-H and Youth Section is to provide a catalyst within 4-H and other rural programs in providing leadership skill development opportunities for rural youth, families and communities. As well, Section staff provided support to students, teachers, Agriculture in the Classroom – Manitoba (AITC-M), Manitoba Education and Training, Manitoba 4-H Council and farm safety organizations seeking agriculture awareness and farm safety information.

The Section provides support, resources, and leadership for 237 4-H clubs in rural and northern communities, involving 4,308 youth (ages 8-19) and 1,803 volunteer leaders. The Section, in co-operation with regional and district staff, produces, maintains inventory and distributes to 4-H participants as requested: 18 different project series encompassing 65 4-H projects; 98 videos, handouts, books, and kits; and 33 4-H organizational and promotional resources.

Manitoba 4-H Council provides the provincial level for volunteer involvement in 4-H policy and program direction. This Council consists of 12 junior and senior directors representing six 4-H regions, Manitoba Agriculture and Food staff, one representative to the Canadian 4-H Council and one Manitoba 4-H Ambassador.

The Section provides organizational support, leadership skill development training and direct service to Council participants and programs:

- strategic planning and goal setting
- 14 national/international opportunities benefiting 147 members and leaders
- six provincial 4-H leadership activities for 295 members and leaders
- Provincial Communications competition involving 59 members
- National 4-H Careers Conference, the only Canadian 4-H Council program delivered outside of Ontario, hosted 31 Manitoba 4-H members and 12 members from other provinces
- 21 scholarships

- 4-H Highway Clean-Up Campaign saw 84 4-H clubs clean 4,573 bags of garbage from 9,937 kilometers of highway resulting in $22,134 being raised by the 4-H clubs which was contributed by Manitoba Transportation and Government Services
- 26 Japanese school students and two chaperons were hosted by Manitoba 4-H families; sponsored by the York-Benimaru Foundation (14th year of the program)
- Northern 4-H leadership skill development activities included 150 4-H participants in seven events
- four issues of the Banner (provincial 4-H magazine)
- 4-H web pages for both the department (25 documents) and Manitoba 4-H Council (18 documents)

In co-operation with Manitoba 4-H Council, and other interested stakeholders, new initiatives in Manitoba's 4-H program include:

- International Youth Entrepreneurship Program; 10 senior members studied and practiced global marketing skills via the GLOBE program of Junior Achievement.

- The Livestock Education System (LES) was piloted as a new approach to beef projects based on market ready indicators.

- The Quality Equation: Quality People + Quality Projects + Quality Experiences = The Quality Equation was adopted as the 4-H program guiding principles and was the focus of the provincial leaders conference which had 68 4-H leaders in attendance.

- Manitoba 4-H Council adopted a new Sponsor Recognition program. In 2000/2001, 68 sponsors contributed both financial and in-kind contributions to Manitoba 4-H Council and 47 sponsors donated $9,900 to the Manitoba 4-H Endowment Fund Foundation.

Honouring 4-H participants is integral to the sustainability of Manitoba's 4-H program. One hundred and seventy Leadership certificates, signed by the Minister of Agriculture and Food, were presented to leaders recognizing years of service. The Minister officially recognized the 4-H program through the proclamation of Manitoba 4-H Week.

A focus for the Section is farm and rural safety and health. Initial co-operation with the Manitoba Always Be Careful (ABC) on the Farm, an educational program for students in grades two and five, resulted in providing 10,000 packages for rural students, parents and teachers. Since 1999, trained volunteers have delivered the ABC on the Farm program to 1,100 grade two students and 1,100 grade five students. The Farm Safety Display at Ag Days focussed on programs for youth with 242 students from nine schools plus 1,000 adults learning safety practices.

Student and teacher awareness of agriculture is a priority for the 4-H and Youth Section. Section staff work closely with Manitoba Education and Training to provide curriculum specific agricultural information and resources. A staff member serves on the Board and is also an active partner in Agriculture in the Classroom – Manitoba (AITC-M). Departmental staff, in partnership with AITC-M and commodity groups, provided information on agricultural awareness to an estimated 2, 000 people at eight major Manitoba events.

In co-operation with departmental staff and industry stakeholders, the concept of "Where's Agriculture?", an agriculture awareness initiative, was expanded to include the pilot development and testing of an Internet-based activity. There were 5,000 brochures distributed in Manitoba and 100,000 French and English brochures were included in the OWL Children's Magazine with Agriculture and Agri-Food Canada's sponsorship.

Farm Management

Farm Management focuses on producer self-reliance involving practices directed at maximizing producer net income through effective production, marketing, human resources and financial management. The Farm Management Section supports staff initiatives by providing resource materials on financial management, risk management, estate planning and available agricultural assistance programs.

Section staff developed 17 cost of production budgets and nine Information Updates for farmers, Departmental staff, financial institutions, universities and other levels of government. In addition, 32 farm management software programs were converted to Excel and are now available on the Manitoba Agriculture and Food's Website for use by the public and staff.

Workshops were held with farmers throughout the province on the effective use of FarmPlan, a farm financial planning software program. This software tool assists farmers with financial management decisions by generating documents such as debt servicing worksheets, a projected net worth statement and cash flow plan.

Farm Management staff helped organize and conduct four provincial seminars involving 472 participants. Topics included precision farming, intergeneration farm transfer, beef production, organic farming and reduced tillage economics. Specialists also assisted in the organization of the "Agriculture: Producers Making It Happen" Conference, the Direct Farm Marketing Conference and the Organic Producers Association of Manitoba Conference. Staff organized and delivered two seminars for 50 agricultural lenders as well as participated in 22 seminars involving 662 participants on topics ranging from value-added marketing opportunities to computer use on the farm.

Staff were involved in the development of additional material to support the Manitoba Beef Prospects, a co-operative initiative between government and industry to promote the strengths and opportunities in Manitoba's beef cattle industry.

The Section organized the Western Farm Management Extension Conference. This 40-year-old event brings together government, university, industry and other private sector representatives from the four Western provinces to exchange ideas and resource materials related to farm management.

The Manitoba Farm Transfer Initiative Committee provided the resource material *"Managing the Present . . . Planning the Future"* to people from 50 farm family units through seminars, courses and self-study. This farm succession project was a joint effort with the Home Economics Section. The concept was also used as a base for a series of producer sessions on intergenerational farm transfer that were held in the Northwest Region.

Farm Management also assisted with the annual Family Farm Business Advisor Seminars held in Winnipeg, Brandon and Roblin. One hundred and seven professionals and farmers attended these sessions to learn and discuss recent developments around the issues of farm transfer and succession. The Family Farm Business Advisory Board sold 76 new manuals/CDs/Internet access and updates during the year.

The Department's Young and Beginning Farmers Committee, chaired by Farm Management staff, is committed to young and beginning farmers through a review of existing programs and the maintenance, improvement and development of programs specifically targeted to the needs of this client group. The Young and Beginning Farmers Committee assisted in the "Recapturing Wealth on the Canadian Prairies" Conference held in Brandon. This was a partnership with the University of Manitoba, Manitoba Co-operator, Prairie Farm Rehabilitation Administration and Keystone Agricultural Producers. The majority of the 220 participants were producers, and were

exposed to local, national and international speakers who discussed existing and future agriculture policy directions. In addition, through a workshop and democratic process, participants constructed a longer-term vision statement for agriculture policy for the prairies.

Farm Management Specialists were involved in the use of electronic communications networks including an agricultural news and market analysis service (Pro Farmer) and several other web-based farm management information networks such as farmcentre.com (a product of the Canadian Farm Business Management Council). As well, extension activities supported by electronic communications networks emphasized education and information sharing in marketing related areas.

The federal and provincial governments, through the Canadian Farm Business Management Program, provided assistance for the development and delivery of projects designed to enhance farm business management knowledge and skills in Manitoba. During 2000/2001, this program approved $386,600 in funding assistance for 19 projects.

Farm Management staff were actively involved and represented at the Canadian Farm Business Management Council. They assisted with the Farm Income Crisis Team and served on the Succession Advisory Committee.

The Marketing Extension Contact Group actively promoted the development and sharing of market information and provided marketing training programs to Manitoba Agriculture and Food staff. Staff participated in the Investment Working Group of the Memorandum of Understanding on Canada-Manitoba Co-operation in International Business Activity, and collaborated with Agriculture and Agri-Food Canada on developing resources focussed at attracting investment into Manitoba's agricultural and agri-food industries.

Staff helped develop and organize the Mentoring Program and Enhanced Awareness Program components of Project 2000. This project is a new approach to assist young and beginning farmers in managing viable farm operations in Manitoba. The Mentoring Program, designed to increase farm business management skills of Manitoba's young and beginning farmers, involved four mentors with 39 active participants during the year.

Staff responded to a number of inquiries relating to agricultural employment such as training, Workers Compensation, vacation, overtime and payment of wages.

Agri-Ventures

The Agri-Ventures Section focuses on new and emerging opportunities in industry development and business management through enhanced marketing capabilities and increased utilization and commercialization of agricultural commodities.

Agri-Ventures staff provided consultation in industry development, business planning, pathfinding services and referrals for financing, agricultural production, technical issues, market information and competitive business intelligence.

The Manitoba Agri-Ventures Initiatives (MAVI) program makes funding assistance available to facilitate industry development and business ventures that will create new uses for agricultural products, add value and develop new markets for agricultural commodities and food production in Manitoba. A total of 24 project proposals received approval for the development of information on business feasibility, planning and market investigation. Types of projects funded included: business planning for traditional livestock operations, marketing specialty meats, market development for horticultural and fruit crops, new food products and agri-tourism.

The Agri-Ventures team continued to support inter-government collaboration in collecting, assessing and sharing information under the Memorandum of Understanding on Canada-Manitoba Co-operation in International Business Activity. Over 3,000 Manitoba companies were jointly surveyed to determine export interest and market potential. The information was used to populate the Manitoba business component of WinExports. A new resource titled Business Opportunities Notification Database (BOND) was set up to highlight business opportunities and provide market information and intelligence.

Staff provided support to initiatives of technology transfer and resource development, including the Canadian Nutraceutical Innovations Network strategic planning group, the Nutraceutical and Functional Foods Conference and Herb Industry Workshop in Winnipeg and the revision of the Directory of Agriculture and Food Ventures in Manitoba.

Agri-Ventures staff provided technical assistance to groups involved in agri-tourism and direct farm marketing. In partnership with the national agri-tourism network, regional agri-tourism networks continued to develop business opportunities in several areas of Manitoba. The 2001 Direct Farm Marketing Conference provided over 100 participants with the opportunity to learn new market trends, share marketing skills, and increase business contacts.

Agri-Ventures staff provided technical information and planning assistance at provincial events including: Ag Days, Horticulture Industry Days, Rural Forum, Farm and Food Days as well as regional trade events. Agricultural economic development assistance was also provided to: the Medicinal and Aromatic Plant Association of Manitoba; Organic Producers of Manitoba; Manitoba Herb Society; Manitoba Country Vacations Association; Conseil de developpement economique du Manitoba; Manitoba Ostrich Marketing Co-operative; the Manitoba Industrial Hemp Association; Manitoba Forage Council; the Manitoba Buckwheat Growers Association; and the Manitoba Pulse Growers Association.

Market Development and Promotion

The Market Development and Promotion Section is responsible for market development activities in Canada, the USA, Europe, and the Middle East. The section works collaboratively with industry in strengthening existing markets and developing new markets for provincially grown and processed agricultural and agri-food products.

The Section provided information and consultation to producers, processors, marketing boards, commodity associations, staff and industry partners. Staff identified market trends and provided support for incoming and outgoing trade missions, while linking out-of-province buyer interests with Manitoba companies.

The section staff assisted with 28 incoming missions from Belgium, Algeria, Iran, Egypt, Denmark, the Netherlands, Switzerland, India, Italy, the United Kingdom, the USA and France.

A Ministerial Trade Mission was undertaken in Fall 2000 to the Netherlands, Belgium, Germany and France with a focus on pig technology, biotechnology, organic agriculture, agri-food and investment opportunities. As well, staff participated in trade shows including the Den Bosch livestock show in the Netherlands and the SIAL international food show in Paris. Seminars on pig investment opportunities in Manitoba were presented to farmers in the Netherlands and Denmark.

Major North American trade shows supported by the Section included World Dairy Expo, World Pork Expo and the Food Marketing Institute show in the USA as well as the Canadian Produce Marketing Association trade show in Vancouver, the SIAL food show in Montreal and Agribition in Saskatchewan. Staff also assisted with development of resources for a forage show in Kentucky.

Section staff partnered with industry at Ag Days, Hog and Poultry Days, Rural Forum, Association of Manitoba Municipalities, Farm and Food Days, and the Dairy and Forage Conference.

In partnership with industry, staff explored market opportunities for oriental-style vegetables produced in Manitoba and initiated promotional initiatives. Staff were also involved in planning for the provincial Nutraceutical and Functional Foods Conference held in Winnipeg.

Support was provided to the Manitoba Seed Growers Association in follow-up analysis linked to a research study on the profile and economic impact of the registered seed industry in Manitoba. The resulting marketing strategy will include an assessment of export potential and trade opportunities.

Assessments were conducted by staff on priority and emerging markets in keeping with the Federal/Provincial Market Development Council (FPMDC) initiatives. The Section participated in the USA and European sector teams for the Canadian International Business Strategy (CIBS), providing input into the national program to reflect needs of Manitoba's agriculture and agri-food sector.

Support by staff to the Federal/Provincial Steering Committee on Investment focussed on inter-provincial co-ordination of activities to enhance investment in primary agriculture and the agriculture and agri-food sector. Staff worked with North American Agricultural Marketing Organization (NAAMO) to compare trade initiatives, program activities and delivery mechanisms to enhance effectiveness of program delivery.

Border Busters, an export market development initiative, in co-operation with the Manitoba Food Processors Association (MFPA), was co-ordinated in partnership with Agriculture and Agri-Food Canada (AAFC). Staff supported inter-governmental collaboration through participation on the Trade Working Group of the Memorandum of Understanding on Canada-Manitoba Co-operation in International Business Activity.

Staff continued to work with the MFPA and the Promotions Committee of Manitoba commodity boards in the promotion of Manitoba food products. This support included participation in and the co-ordination of mall trade shows, official representation on the Board of Directors of the MFPA, and involvement in the Manitoba Cusine Tourism Council.

Section staff updated resource materials for the Manitoba Pork Advantage, the Manitoba Food Products Directory and Manitoba Food Report. Staff also produced new dairy and forage displays, computer presentations, World Meat Congress video and reference publications. The Great Tastes Initiative was continued with the program series on local television networks as well as local print media promotion in partnership with industry and producer associations.

International Trade Section

The International Trade Section, with its geographic focus on Latin America and Asia, works with other government agencies and producer and processor associations to implement trade support and development programs in those priority markets.

The Section's primary area of continuing focus is to increase trade awareness and to identify, report and assist in the development of opportunities for Manitoba in Latin American and Asian markets.

The Section provides consultation to industry, including marketing boards, producer groups, food processors and partners. Market information and intelligence is gathered from these priority markets and information is disseminated through consultations, presentations and reports.

The Section co-ordinated and participated in 25 incoming missions from Japan, China, South Korea, Mexico, Dominican Republic and Chile as well as one outgoing mission to Japan/Korea. Included in the trade development activities is the maintenance of close working relationships with the provincial and federal agencies of government under the umbrella of Team Canada Manitoba. Section staff participated on the Communication and Co-ordination Working Group of the Memorandum of Understanding on Canada-Manitoba Co-operation in International Business Activity.

In support of the Canadian International Business Strategy (CIBS), the Section also participates on the Teams for the priority markets of Mexico, Brazil, Japan, Korea, Taiwan and China/Hong Kong. The Mexico Border Clearance Representative (BCR) project initiated by the Mexico Development Team, will see a BCR located in Laredo, Texas to help facilitate the crossing of Manitoba exports into the Mexican market.

An integral part of Manitoba Agriculture and Food's trade development strategy is to encourage and facilitate alliances amongst buyers and sellers, as well as government agencies located within target market areas.

To enhance this process, Manitoba Agriculture and Food together with Manitoba Trade, developed and maintained Co-operation Agreements with various state governments in Latin America. These agreements identify activities governments and agencies can undertake to facilitate networking opportunities between agri-businesses leading to increased trade. Agreements were reached with the State of Rio Grande do Sul in Brazil, the State of Buenos Aires in Argentina, the States of Jalisco, and Chihuahua in Mexico.

An important highlight was the negotiation and signing of a Memorandum of Understanding and Co-operation between Agriculture and Food, Manitoba, Canada and Agriculture, Livestock and Rural Development, Durango, Mexico which coincided with the Dairy and Forage Conference.

Specific trade activities included: handling investment inquiries from the Pacific Rim; presentations on market opportunities; disseminating market information and intelligence; and assisting exporters in facilitating contacts in foreign markets.

A new initiative was the development of an Internet Marketing Project utilizing extensive databases available to Manitoba Agriculture and Food. This system allows for the promotion of Manitoba agri-food products, to connect Manitoba suppliers of these products with the international marketplace, and to facilitate the transfer of market information and intelligence to clients and customers at home and abroad.

Asia Pacific Foundation

The Department supports programs of the Asia Pacific Foundation (Manitoba office), through a yearly grant of $12,500.

4 (a) Marketing and Farm Business Management

Expenditures by Sub-Appropriation	Actual 2000/2001 $ (000's)	Estimate 2000/2001 FTE	Estimate 2000/2001 $ (000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	1,735.9	34.04	1,785.7	(49.8)	
(2) Other Expenditures	1,365.5		1,291.3	74.2	
(3) Agricultural Societies Grant Assistance -Grants/Transfer Payments	360.9		368.4	(7.5)	
(4) Other Grant Assistance -Grants/Transfer Payments	42.9		42.6	0.3	
TOTAL EXPENDITURES	3,505.2	34.04	3,488.0	17.2	

Animal Industry (4b)

The Animal Industry Branch provides technical support, specialized services and information to regional extension staff, producers, the food industry and consumers. These services are aimed at enhancing the development, productivity, diversification and skills of Manitoba's livestock producers and processors. The Branch also administers regulations pertaining to *The Dairy Act, The Margarine Act, The Livestock Industry Diversification Act, The Livestock and Livestock Products Act* and *The Animal Liability Act.* The Branch is comprised of three sections: Livestock Development & Diversification, Food Quality & Product Development and Production Quality & Safety.

All sections are engaged in comprehensive extension activities through the support and co-operation of regional extension staff. Staff attend regional producer meetings and serve as speakers or technical advisers at workshops and demonstrations. They also conduct on-farm and telephone consultations. Timely, technical information is disseminated through publications, news releases and the media. Staff continued to upgrade Manitoba Agriculture and Food's Website, and copies of numerous publications were made available on the Internet. The Branch worked with industry to develop their work plans for the year ensuring that the programs implemented by the Branch were focussed in areas needed by industry.

Staff are involved at the national level in the implementation of the "Blueprint for the Canadian Food Inspection System" which was approved by the Ministers of Agriculture in 1994. In particular, staff worked on the development of harmonized national legislation for food, the dairy sector regulation and code, the meat regulation and code and on-farm food safety programs.

Livestock Development & Diversification Section

The role of this Section is to co-operate with industry to develop and deliver programs that will have maximum impact on animal agriculture and to improve extension capabilities and visibility through participation with regional staff at producer meetings. This Section administers the following acts and their regulations: *The Livestock Industry Diversification Act, The Livestock and Livestock Products Act* and *The Animal Liability Act.*

Beef Cattle

The Beef Feeder and Feedlot Specialist and the Beef Cow/Calf Specialist provided technical support to regional staff, producers and industry representatives. Staff were invited to speak at 25 producer meetings, providing information on management, marketing techniques and current issues facing the beef industry. Staff also provided unbiased information and assistance to new producers interested in entering the beef industry as well as already existing producers in the form of farm and phone consultations.

Staff worked on the revision of fact sheets, web pages and other extension material as well as the development of new and relevant information packages that are aimed at producers to assist in the improvement of production and profitability parameters. Several provincially co-ordinated activities are also under development such as tours, seminars and extension material which will be available to all groups within the industry, focussing on the sustainability of the Manitoba beef industry.

Staff maintain a computerized registry for 5,480 livestock brands. Licences were issued to 106 livestock dealers and 91 agents.

Dairy

Staff worked closely with Regional staff in organizing the 2001 Manitoba Dairy/Forage/Beef Opportunities Conference in Winnipeg. The Conference focussed on management and marketing topics related to dairy, forages and beef and hosted the signing of a Memorandum of Understanding (MOU) between Manitoba Agriculture and Food and the Agricultural Department from Durango, Mexico. A total of 230 registrants attended, exceeding expectations.

Staff were actively involved in redesigning and enhancing the Department's Dairy Website with the assistance of a Quebec Exchange student. A new section entitled Manitoba Dairy Genetics was developed and added to the site with the objective of promoting Manitoba's dairy genetics. The main index page of the Dairy Website received 2,605 hits from May 2000 to March 2001.

An in-depth, two-day course on Milking System Design and Sanitation was held in November 2000 and was attended by 25 dairy farm inspectors, dairy equipment dealers, and regional livestock specialists.

The Manitoba Milk Quality Recognition Program was administered for its 12th consecutive year. To emphasize that large volume milk producers can produce and ship quality milk as easily as lower volume producers, two total annual milk shipment categories were introduced. The separation point of these categories was set at 500,000 litres of milk shipped per year. In addition, the Program was changed from a calendar-year basis to a dairy-year basis. A total of 245 producers received either a Gold (106) or a Merit (136) certificate to recognize their milk quality achievements for 2000.

The provincial Bulk Tank Somatic Cell Count (BTSCC) reduction program continued to be an extension area of high priority. Staff conducted 41 on-farm, milking time management consultations. The average BTSCC for 2000 was 232,818.

Staff conducted 29 farm consultations on other management areas. These areas included: nutrition, calf/heifer management, herd health, milk record analysis, farmstead planning, reproduction and milk check interpretation.

Over 20 presentations were conducted by staff on a variety of technical and management topics. They also wrote six articles for the print media, as well as issuing 11 information updates to regional staff and industry.

Staff worked closely with Manitoba Hydro lighting experts to develop two technical publications on dairy lighting systems as well as delivering four full-day seminars to producers and industry representatives.

Staff provided technical and marketing support by participating in a March 2001 Trade Mission to Mexico to meet potential buyers of dairy genetics. Staff also assisted in hosting Trade Missions from other countries to Manitoba (i.e. Mexico, Iran, Japan, China).

Staff continued to be involved on a number of national and international dairy committees involving milk quality, dairy extension, and regulatory reviews of provincial/national standards and milk recording.

Swine

Manitoba is working with the industry that produced in excess of five million pigs during 2000/2001.

There were four issues of the *Manitoba Swine Update* produced by staff and distributed to Manitoba producers through the Manitoba Pork Council. Considerable time was dedicated to planning and organizing the Manitoba Swine Seminar, which attracted 400 individuals. The theme of the seminar was "Sharing Ideas and Information for Efficient Pork Production" and featured a professionally prepared proceedings book that was well received. In addition, the articles from the *Manitoba Swine Update* and the proceeding papers from the *Manitoba Swine Seminar* were formatted and posted on Manitoba Agriculture and Food's Pork Website.

Staff assisted with the organization of Hog and Poultry Days that was held in Winnipeg in December 2000. This two-day trade show attracted approximately 250 exhibitors and more than 1,300 industry participants attended the event.

Staff were involved in developing and implementing the Pork Quality Assurance Program in co-operation with the Canadian Pork Council. In addition, staff participated in the department wide initiative to increase swine production knowledge through producer meetings. Staff prepared background material and training papers as well as making numerous presentations to producers in the Regions.

The rapidly expanding swine industry in Manitoba created a demand for a significant number of trained swine care workers. Staff participated on the Pork Production Training Committee, which has developed the Pork Production Manager Training Program. In addition, staff were involved in providing feeding recommendations in response to requests from producers, veterinarians and agri-business.

Dairy Nutrition

Through the Dairy Nutrition Program, staff work to ensure that those involved in dairy production have access to the most current technical information on nutritional practices. The demand for nutritional services came from producers, Manitoba Agriculture and Food staff, feed company representatives and practising veterinarians.

Practical and detailed feeding recommendations were provided in response to feed analyses, farm visits and verbal requests. Recommendations on ration formulation and feeding practices were made by mail and telephone to producers, veterinarians and agri-business.

Staff continued to organize and chair meetings of the Manitoba Practising Animal Nutritionists Group, with the aim of increasing discussion, understanding and co-operation within the feed industry. The Group also provided a means by which industry nutritionists can collectively address their common concerns.

The Nutrition Program places great emphasis on training and extension. During 2000/2001, major presentations on various aspects of nutrition were given at ten producer and staff meetings. Bi-monthly articles on nutrition were written for the Manitoba Milk Producers' newsletter, *Milkline*, which was mailed to every dairy producer in the province. Three issues of *Nutrition Update*, a technical newsletter prepared for department staff, veterinarians and feed industry representatives, were published. As well, three fact sheets were either written or revised. A "Beef Nutrition Day" was held for the technical update of regional livestock specialists. A two-day video-satellite symposium, highlighting changes in the National Research Council's "2001 Nutrient Requirements of Dairy Cattle", was hosted for industry and staff. In addition, staff served

on the organizing committee of the Western Nutrition Conference, an industry conference that is held in Winnipeg every third year.

Equine

The Equine and Bison Specialist works with clients in the areas of equine ranching, light/pleasure horse, feedlot and hobby horse industries.

Equine extension and technology transfer was carried out through staff and producer contacts. Technical information was prepared and co-ordinated for individual industry magazines and in response to requests from individuals.

The Equine Extension Program is designed to ensure that producers and owners of horses, breed associations, the Manitoba Horse Council, other government departments and the general public, have access to the most current technical information on the equine industry.

The Equine Specialist chairs the Equine Ranching Task Force Committee, composed of equine ranchers, industry representatives, equine extension staff and veterinarians. The Committee strives to initiate increased discussion, understanding and co-operation within the equine ranching industry to address common concerns.

The equine industry recognizes that industry standards and guidelines, as set out in *Codes of Practice*, inform the public about responsible animal care. This commitment led to the initiation of a National Horse Code for Canada. The Recommended Code of Practice for the Care and Handling of Horses on PMU Operations is now part of the Recommended Code of Practice for the Care and Handling of Farm Animals: Horses.

The Equine Specialist continues to meet with Linwood Ranch, an equine rancher demonstration farm, to review equine management techniques evolving from ongoing farm demonstrations.

The Equine Extension Program, in co-operation with the 4-H Program and Manitoba Equine Ranchers, has implemented a 4-H Young Horse Development Project. This project involves Manitoba Equine Ranchers with Manitoba-only bred PMU foals. The project commenced in 1998 and is continuing.

Bison

Approximately 75 percent of the Equine and Bison Specialist's time was devoted to the bison industry. The role of the Bison Extension Program is to ensure that both existing and new producers have access to the most current technical information on bison production. The demand for bison information came from producers, Manitoba Agriculture and Food staff, financial institutions, feed company representatives, veterinarians and consulting firms. Practical and detailed bison management recommendations were provided through industry meetings, farm visits and 1,711 direct producer calls.

Staff assisted the Manitoba Bison Association in promotion and guidance in various industry development activities. For example, one Regional Bison Seminar (77 attendees) and a Bison Field Day (200 attendees) were held. The Specialist also provided extension support to the bison finishing industry. Approximately 30 percent of Manitoba bison producers are shareholders in the North American Bison Co-operative, a European Economic Community (EEC) approved plant. There are currently 180 bison producers involved in the Manitoba bison industry of which 160 are members of the Manitoba Bison Association (MBA).

The Equine and Bison Specialist, in co-operation with the MBA participated in a Manitoba Rural Adaptation Council (MRAC) project. The project developed three bison management videos as well as a promotional video and brochure, *"Bison are Back"*, along with an association display.

An additional video on *"Marketing and Economics"* was developed along with the brochure, *"Why Bison"* through the Farm Business Management Program.
Consumer awareness of bison meat was promoted through a Manitoba Agri-Ventures Initiatives (MAVI) project. The project involved the development of the brochure *"Manitoba Bison"*. The program enabled the Manitoba Bison Association to attend many of the prestigious food shows promoting bison meat products in Manitoba.

With the expansion of the bison industry there is a growing need for service for both established and beginning producers. Youth was also part of the bison industry development over the past year. The first Bison 4-H Club was organized in the province. The Branch worked with the Canadian Bison Association in the development of the Canadian Bison Association On-Farm Food Safety Program.

Elk

The Elk Specialist provides technical information on elk production.

All elk registered as game production animals on licensed game farms in Manitoba have been positively identified by means of DNA analysis. No other elk will qualify for registration as game production animals unless they are born on a licensed elk farm in Manitoba and have parents verified by means of DNA, or if purchased, they can be traced back to a legitimate elk farm in a jurisdiction recognized as an acceptable source of elk.

Each elk farm is inspected to ensure that facilities comply with the regulations prior to receiving a Game Production Farm Licence. Each farm will be inspected on an annual basis to ensure that both facilities and animals maintain acceptable standards.

The Province of Manitoba is offering the Elk Seedstock Program, which made seedstock elk, captured from the wild, available to residents of Manitoba to assist them in diversifying into elk farming. As of March 31, 2001 the Province of Manitoba was holding 497 elk at three licensed elk farms. These elk are assigned to the Province of Manitoba, contractors and the Manitoba First Nations Elk and Bison Council (MFNEBC). When a negative status for tuberculosis is attained from the Canadian Food Inspection Agency, a seedstock draw will be announced.

The Province of Manitoba has also contracted with the Manitoba Assembly of Chiefs on behalf of the MFNEBC to supply up to 250 wild captured elk for an aboriginal elk farming program under the existing legislation. Approximately 222 elk have been assigned to the MFNEBC under the contract.

As of March 2001, 88 game farms were licensed and an estimated 2,568 elk were being farmed. This includes the elk being held by the Manitoba Government at the three licensed elk holding facilities.

Sheep

The Sheep Extension Program serves as a resource to both Departmental staff and producers for technical production, marketing and industry-development information within the sheep sector. Staff co-operated in activities of the Manitoba Sheep Industry Initiative which included: a survey of the industry; commissioning of a comparative advantage study of the Manitoba sheep industry; a series of meetings in various locations around Manitoba for potential new producers and; planning of a major seminar for all industry stakeholders. As well, a Manitoba Sheep Association Website has been developed and is online. A Sheep Producers manual has been developed with approximately 200 copies being sold and sheep information resource libraries have been situated around the province.

Manitoba's sheep and lamb industry is the sixth largest in Canada, with six percent of the national lamb production. The industry is expanding rapidly, with the number of breeding stock doubling to 52,000 head in 2000. Manitoba has the largest feedlot operation in Canada, feeding nearly 100,000 lambs annually.

Sheep Sense, a sheep industry newsletter, was produced quarterly in co-operation with the Manitoba Sheep Association, with a mailing list of over 400 subscribers. A Manitoba Sheep Seminar and an annual show and sale was held in co-operation with the Manitoba Sheep Association.

Livestock Environment

The Livestock Environment Engineer and the Livestock Environment Specialist promote the sustainable expansion of the livestock industry in Manitoba. The livestock industry is assisted in operating harmoniously with its neighbours and the environment through activities such as developing strategies and disseminating information on the management of livestock manure and protection of water resources. The Livestock Specialists work in co-operation with the Department's regional engineers and soil management and conservation specialists. The *Farm Practices Guidelines for Poultry Producers in Manitoba* were revised and distributed to the industry. The *Farm Practices Guidelines for Hog Producers in Manitoba* is being reprinted for the second time. The *Farm Practices Guidelines for Beef Producers in Manitoba* are currently being updated. The document *Manure Management Planning in Manitoba – The Professional's Handbook* was released in 2001 and constitutes the core of Manitoba Agriculture and Food's training material for producers, service providers and professionals involved in every aspect of manure handling and application. A "one stop shopping" Internet site that provides information on all aspects relating to environmental issues associated with livestock production is under construction. This Internet site will list professional and service resources, allow for downloading of software, post regulations, provide a means for electronic distribution guidelines, and most importantly, display all available information on current and past research and development and demonstration projects that deal with livestock environment.

The Manure Applications Rate Calculator, MARC '98 was adopted as a "standard" tool for manure management planning in the three Prairie Provinces. MARC '98 software is used by more than 350 users and nearly 1,200 Manure Management Plans are expected to be registered with Manitoba Conservation in the fall of 2001. The software, which can be downloaded from the Manitoba Agriculture and Food Home Page, is also available on compact disk. A hard copy user manual from the Animal Industry Branch is also available. The software is presently re-engineered to allow for geo-referencing fields and livestock operations and to increase its usefulness to producers in Saskatchewan and Alberta. Saskatchewan Agriculture and Food as well as Alberta Agriculture, Food and Rural Affairs co-operate on this project.

Significant input was provided for the development of the Livestock Stewardship Initiative. The Livestock Environment Specialists were involved in the development of the Province of Manitoba's position on the recommendations formulated by the Livestock Stewardship Panel as an outcome of the public consultations carried out in 2000. As part of this initiative, the Livestock Environment Specialists participated in an industry led pilot project for the development and assessment of on-farm ISO 14001 Environmental Management Systems for individual livestock operations. The Branch plays a key role in training staff in other departments. The Livestock Environment Engineer served as a technical representative on the Prairie Provinces Committee on Livestock Development and Manure Management. Within the scope of this committee, prairie-wide design and construction standards for liquid manure storage structures are being developed, along with standards for uniform animal unit equivalents for most livestock species, site characterization protocols and manure handling management. The Livestock Environment Specialist is a member of the national Expert Committee on Manure Management under the Canadian Agri-Food Research Council (CARC).

Routine information dissemination included numerous presentations to staff on the issues of odour control and manure management.

Poultry

Poultry extension and technology transfer was implemented through workshops and meetings as well as individual producer contacts. Two producer seminars and four hands-on workshops were organized with a total attendance of 230 people. Two fact sheets and three newsletter articles were written and distributed via the Internet, *Nutrition Update* and *Manitoba Breeder Bulletin.*

In co-operation with a Manitoba chicken processor, a study was undertaken to find methods of reducing bacteria contamination on chicken carcasses. The Poultry Specialist provided expertise in monitoring barn conditions and the Dairy Lab provided expertise and assistance in testing for bacteria. Several potential risk factors that could lead to higher contamination were identified. As a follow-up to this study, a workshop on on-farm methods of reducing carcass contamination is being organized.

Department staff co-operated with Agriculture and Agri-Food Canada (AAFC) in research on the feeding value of sprouted wheat for poultry. The sprouted wheat produced superior bird performance compared to the non-sprouted wheat.

The Poultry Specialist conducted a survey of litter conditions in turkey barns to help identify practices that could improve carcass quality. In another project, an inexpensive and easy to use method of monitoring darkling beetle numbers in poultry barns was developed. Darkling beetles have been identified as carriers of disease of concern for both poultry and people. In a project with egg producers, the use of barn dust and fecal swab samples to monitor salmonella in poultry flocks was evaluated. The barn dust samples were a more sensitive and economical test than the cloacal swabs.

The Poultry Specialist assisted in staffing the Manitoba Egg Producers' caged hen displays at the Red River Exhibition, Amazing Grain Days in Winnipeg, and Through the Farm Gate at the Royal Winter Fair in Brandon. Over 30,000 people visited these displays.

The Poultry Technologist and Poultry Specialist handled the paper work and blood testing for breeder flocks needing export permits. Veterinary Services Branch staff and the Dairy Lab tested all of the samples collected. The government-testing program supported the export of nearly four million chicks and poults to the United States. Without the involvement of the province to oversee and provide third party verification of the results, these exports could not occur. The value of the exports has doubled in the past three years and added approximately $6 million to the provincial economy in 2000. The testing program also helped to provide quality assurance to the customers in other provinces who purchased $6 million chicks, poults and eggs from Manitoba hatcheries.

Food Quality & Product Development Section

Under *The Dairy Act* and *Dairy Regulation*, the Food Quality and Product Development Section licensed 19 dairy processing facilities and 283 dairy industry personnel. Department personnel conducted 195 plant inspections and follow-up visits that ensured compliance with satisfactory manufacturing practices. Staff also provided processors with technology transfer services and assistance in product and process development. These services and assistance were provided in a "trouble-shooting" capacity or during plant construction or expansion. The Pasteurization Control Program remained a high consumer safety priority for the Branch. Inspection staff continued their collaborative work with The Canadian Food Inspection Agency in "single window" plant inspections.

The Provincial Dairy Laboratory performed 53,382 analyses on raw milk and 4,549 analyses on processed dairy products. Milk from each of the province's dairy farms was analysed on a monthly basis for bacteria, antibiotics, added water and somatic cell count. The average somatic cell count in 2000 was 232,818, which was lower than the 1999 average of 234,250 and far better than the national standard of 500,000. Over 500 analyses were performed upon special request of the province's dairy producers while working with the dairy specialists, farm inspectors, or Manitoba Milk Producers. Laboratory analytical results were employed in the certificate program administered by the Provincial Dairy Specialist. Staff initiated a project to increase detection capabilities for antibiotics in raw milk.

Staff organized and delivered courses to dairy industry personnel such as bulk milk graders, milk receivers, buttermakers and cheesemakers. They also served as primary instructors in thermal processing courses offered through the University of Manitoba. Instruction was provided in Hazard Analysis Critical Control Point (HACCP) courses in conjunction with the Food Development Centre and the University of Manitoba.

Extension services toward industry development were provided through technical and marketing information to livestock processors in the province, for food and non-food applications. Section staff made presentations to industry and Department staff on HACCP Systems. On-site visits to meat and dairy processing plants province-wide were also an integral part of the Section's activities. Assistance was provided to the Manitoba Meat Processors Association. As well, an industry newsletter on livestock value-added was continued.

Staff continued to be actively involved in a variety of national committees pertaining to the quality of livestock products including: National Liaison Group on Milk Products Quality, Federal-Provincial Dairy Committee, International Dairy Federation and Working Group on Imitation Dairy Products.

Staff provided a significant contribution to the ongoing development of harmonized food legislation for Canada including the National Dairy Regulation and Code, the Common Legislative/Regulatory Base for Food and the National Meat and Poultry Regulation and Code.

Production Quality & Safety Section

Dairy Farm Inspection Services

Under *The Dairy Act* and *Dairy Regulation*, the Production Quality and Safety Section provides farm inspection services to approximately 650 dairy farms in the province. Staff conducted 1,088 dairy farm inspections that involved scheduled inspections and re-inspections. Dairy inspectors also inspected 65 bulk milk truck drivers for performance of duties such as sampling for quality, sample care and truck sanitation. Dairy plants were inspected for compliance with quality and safety standards by staff. In addition, staff inspected raw milk samples for antibiotic residues at the satellite laboratory in Brandon.

Staff also conducted in excess of 130 extension visits to farms to assist producers in troubleshooting milk quality problems and to review new construction. Information was provided to dairy producers to assist them in meeting required safety and quality standards for raw milk as well as improving their productivity. Staff provided processing plants with food safety and Hazard Analysis Critical Control Point (HACCP) information and assisted in the organization and delivery of the Bulk Milk Graders' and Milk Receivers' Course.

Staff are working with the Canadian Food Inspection Agency (CFIA) and provincial governments to develop and implement a framework for national monitoring of provincial dairy farm inspection and raw milk hauling.

Poultry Licensing and Inspection Services

Under *The Livestock and Livestock Products Act* and *Hatchery and Hatchery Supply Flock Regulation*, the Production Quality and Safety Section approved 61 hatchery supply flocks and issued licences to ten hatcheries. Staff conducted 196 poultry farm inspections to ensure compliance to safety and quality standards. The Section also issued 17 poultry dealer licences and five subsidiary branch licences under *The Livestock and Livestock Products Act* and *Poultry Products Regulation.*

In addition to poultry farm inspection, staff conducted 2,354 enzyme linked immunosorbent assay tests on poultry blood samples to monitor vaccine effectiveness and 324 environmental sampling tests on breeder farms for *Salmonella*. Staff performed 26,064 tests to certify poultry and poultry products for export and assisted hatcheries in monitoring sanitation by providing 760 Rodac plates to hatcheries.

Staff were involved in the organization of the following events for poultry producers: the Hatchery Workshop; the Hatching Egg Producer Workshop; the Broiler Breeder Seminar; the Turkey Producer Seminar; the Litter Workshop; and the Egg Producer Workshop; and Hog and Poultry Days. Staff also published the *Breeder Bulletin Newsletter*, which was distributed to all hatching egg producers. To increase public awareness of agriculture and poultry in particular, staff conducted four incubation and hatchery seminars for local schools and businesses. Staff also worked with producers to assist them in increasing productivity through alternate management techniques.

On-Farm Food Safety

Staff continued to work with commodity organizations to develop and implement on-farm food safety programs. In 2000/2001 staff worked closely with the Canadian Sheep Federation on the continued development of their meat and sheep dairy on-farm food safety program. Staff were also involved in the distribution of program materials and training of industry stakeholders with respect to on-farm food safety programs.

Also, staff are actively involved in the Federal/Provincial/Territorial On-farm Food Safety Sub-Committee that is developing a national approach to the recognition of on-farm food safety programs.

Staff were involved in special products with producers and processors in relation to food safety that included developing baseline data on bacteria levels and looking at ways to control bacteria levels on agri-food products at the farm.

Significant contribution has been provided by staff to the Federal/Provincial/Territorial Working Group, under the Canadian Food Inspection System Implementation Group (CFISIG), that is developing a national strategy for the recognition of industry developed HACCP systems and HACCP-based programs.

4 (b) Animal Industry

Expenditures by Sub-Appropriation	Actual 2000/2001 $ (000's)	Estimate 2000/2001 FTE	Estimate 2000/2001 $ (000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	1,667.2	35.78	1,763.1	(95.9)	
(2) Other Expenditures					
-Grants/Transfer Payments	750.6		-	750.6	1
-Other	562.2		568.6	(6.4)	
Total Other Expenditures	1,312.8		568.6	744.2	
TOTAL EXPENDITURES	2,980.0	35.78	2,331.7	648.3	

1. *The variance over authority was due to the setting up of a valuation allowance for the Elk Management Fund primarily as a result of lower than anticipated prices and increase in costs resulting from the deferral of elk sales to meet Canada Food Inspection Agency testing requirements.*

Veterinary Services (4c)

The objectives of the Veterinary Services Branch in 2000/2001 were: to provide the necessary resources for diagnosis of livestock diseases while promoting animal health; to encourage the use of veterinary services and laboratory diagnosis by livestock producers; to administer public animal hospitals; to provide extension services to livestock producers; to conduct disease surveillance; and to administer the Humane Inspection Program in the province.

In 2000/2001, the Branch administered *The Veterinary Services Act, The Veterinary Science Scholarship Fund Act, The Veterinary Medical Act, The Animal Diseases Act* and *The Animal Care Act*. The latter Act includes provisions on animal abuse and neglect. Staff investigated 167 complaints on inhumane treatment of animals, and of these, 60 were deemed unjustified and 107 required corrective measures. Charges were laid in four cases and animals were seized in 18 cases.

Financial assistance was provided through the Veterinary Science Scholarship Fund to 25 Manitoba students enrolled at the Western College of Veterinary Medicine. In addition, through the Summer Student Employment Program, 20 students were provided with practical experience, while being encouraged to practice in Manitoba's rural areas upon graduation.

Through operating the province's veterinary diagnostic laboratory, the Branch provides technical and specialist services to rural and urban veterinarians. The laboratory received 15,922 cases and conducted 398,725 tests in 2000/2001. Increased activity in the farm sector was associated with increased shipments of specimens from both swine and beef sectors. Producers were able to maximize their economic returns through the laboratory's high-priority commitment to the rapid reporting of laboratory results. Polymerase Chain Reaction (PCR) testing for diseases of cattle, hogs and poultry provided a quick turn-around of results and greater utilization of service by producers, especially hog producers. The trend is to test whole herds for certain diseases such as Bovine Virus Diarrhea in cattle and Porcine Reproductive and Respiratory Syndrome in hogs. New research in surveillance methods for diseases such as Johne's disease, Neosporosis in cattle and Chronic Wasting Disease in elk, has contributed to an increase in cases and the number of tests performed.

Laboratory staff provided diagnostic services to the University of Manitoba's farm animals and the Medical Faculty's laboratory animal research units.

Branch staff also provided pathology demonstrations to Red River College (RRC) students as well as assisting the instructors of RRC in their Animal Health Technology course.

Field Services staff participated in many extension seminars for beef, dairy, elk, bison, sheep and horse producers across the province. During 2000/2001, staff attended over 55 producer meetings. Staff have also assisted in the production of a velvet antler course, as well as delivering course lectures at the University of Manitoba and RRC concerning animal health and management issues.

Field staff also conducted several disease investigations throughout the year in response to requests from Branch pathologists and private veterinarians.

Field and laboratory staff were very involved with foreign animal disease issues. An anthrax outbreak occurred in southeastern Manitoba resulting in the death of 44 cattle on 11 farms, and the vaccination of 20,000 cattle. Tuberculosis in cattle and elk in the vicinity of Riding Mountain National Park continued to be an issue, with significant resources being used to control the disease, in co-operation with the Manitoba Conservation, Parks Canada, and the Canadian Food

Inspection Agency (CFIA). Chronic Wasting Disease (CWD) was a major disease concern in Saskatchewan. Manitoba has improved its CWD surveillance program to ensure Manitoba's continued freedom from this disease. Foot and Mouth Disease (FMD) broke out in the United Kingdom, and in many other parts of the world. Manitoba is revising and updating its FMD contingency plans to ensure that FMD does not occur here. A contingency plan involving the CFIA is also being revised.

Under *The Veterinary Services Act*, the Branch provided provincial grants to 28 veterinary districts. This funding helped support a 24-hour, seven-day-a-week service through 55 veterinarians and their staff. During the year, meetings were held with Veterinary Services District Boards and with the Association of Manitoba Municipalities. The Branch assisted the Veterinary Services Commission with the administration and distribution of a $300,000 special grant for capital equipment and infrastructure for the Veterinary Services District Program.

The Branch helped support livestock disease control research by providing $15,200 to the Veterinary Infectious Diseases Organization. The Branch administered the Rabies Indemnity Program, a federal-provincial initiative to monitor the incidence of rabies. Payments within this program area totalled $18,343.

4 (c) Veterinary Services

Expenditures by Sub-Appropriation	Actual 2000/2001 $ (000's)	Estimate 2000/2001 FTE	Estimate 2000/2001 $ (000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	1,846.0	37.79	1,912.5	(66.5)	
(2) Other Expenditures	717.0		717.6	(0.6)	
(3) Grant Assistance - Operating -Grants/Transfer Payments	494.8		467.1	27.7	
(4) Grant Assistance - Capital -Grants/Transfer Payments	299.9		300.0	(0.1)	
TOTAL EXPENDITURES	3,357.7	37.79	3,397.2	(39.5)	

Soils and Crops (4d)

Soils and Crops provides a co-ordinated program to enhance crop diversification, production and utilization, while maintaining and enhancing soil and water resources. In support of these objectives, the Branch provides regional staff, agri-business and farmers with technical support, along with specialized services and information. This overall support enhances the productivity, output and marketing capability of Manitoba's crop producers.

In addition, the Branch administers statutes and regulations related to several areas including: beekeeping, pesticide dealer and applicator licensing, weed control, and horticulture. Direct support is also provided under the Environment Act regulation that involves controlling crop residue burning. Soils and Crops also supports the delivery of agricultural research and sustainability programs and participates in federal-provincial cost-shared programs designed to assist in the development of irrigation infrastructure.

The Branch is comprised of five sections: Apiculture and Crop Diagnostics, Agricultural Resources, Crop Diversification, Crop Development and Soils and Crops Programs. All sections are extensively involved in the investigation and demonstration of new crop market opportunities and production practices. Technical information is disseminated through publications, news releases, the Internet and local grower meetings.

The Branch achieved the following results in 2000/2001:

Apiculture and Crop Diagnostics

The Branch administered the *Manitoba Bee Act*, with staff co-ordinating the Honey Bee Disease Inspection and Control Program. Staff inspected 6,050 honey bee colonies for American and European foulbrood diseases. The Branch collected and analyzed 523 bee samples for the presence of the honey bee tracheal mite. The Branch also sampled 220 honey bee operations throughout the province for the presence of the Varroa mite.

Apiculture Section staff participated in 35 extension meetings. The Section provided industry updates and information on honey bee and leafcutting bee management to producers. Staff also attended, as technical advisors, Board of Director meetings for the Manitoba Beekeepers' Association, the Red River Apiarists' Association and the Manitoba Forage Seed Associations. Contributions were made to three issues of both the *Manitoba Beekeeper* and *Forage Seed Update* newsletters which were distributed to approximately 2,000 individuals. In addition, staff taught an evening course in beekeeping at the University of Manitoba.

To complement a voluntary chalkbrood survey based on producer submitted leafcutting bee samples, staff co-ordinated the analysis of chalkbrood disease sampling in leafcutting bee operations. The Section conducted a chalkbrood survey of feral bees using about 110 trap nests.

Through research, demonstration and extension, staff continued to develop information related to understanding the economic benefits that result from the pollination of commercial crops by bees.

Staff conducted two research trials related to leafcutting bee management. These research trials included: improved equipment and cell fumigation procedures to ensure operator safety; and evaluation of field shelter design related to pollination performance.

In 2000, licenses were issued to 1,405 applicators and 575 dealers under *The Pesticides and Fertilizers Control Act*. Pesticide dealers and custom pesticide applicators are required to qualify

for licensing by completing provincially approved certification courses. In addition, applicators must comply with the Act's insurance requirement before they are issued a license.

The Crop Diagnostic Centre served farmers and agri-business by analyzing 1,358 agricultural and 146 non-agricultural samples. There were 86 weed samples and 58 insect samples submitted for identification in 2000.

Agricultural Resources

Agricultural Resources Section staff participated in the delivery of the third year of programming under the Manitoba Agricultural Sustainability Initiative – Covering New Ground. Staff responsibilities associated with Covering New Ground included: co-ordination of provincial, regional and crop diversification centre projects; provision of technical assistance to regional staff; local delivery organizations; producer groups; conservation districts; and environmental agencies.

Under the Livestock Stewardship Initiative, two term staff were recruited in support of agricultural land use planning and manure nutrient activities.

Inter-provincial liaisons and information sharing between Manitoba, Saskatchewan, Alberta and British Columbia was accomplished through staff participation on the Prairie Co-ordinating Committee on Environmentally Sustainable Agriculture.

Representation is provided to the Canada Committee on Natural Resources which provide Canada with a perspective on agricultural sustainability issues including climate change. Staff also provided input into two Federal/Provincial Territorial Climate Change Networks (Policy and Data Modelling).

Section staff were responsible for the planning and delivery of their own field programs which included Covering New Ground projects and provided training and technical information to producers, as well as central and regional staff. Field programming included activities related to irrigation, water management, manure management and reduced tillage.

Agricultural Resources staff provided support to, and were involved in: the delivery of the Surplus Water Irrigation Initiative; the revision of the Farm Practices Guidelines for Dairy and Poultry Producers through the Manure Management Technical Advisory Group; technical reviews of proposals associated with livestock industry expansion; Drinking Water Advisory Committee; Manitoba Rural Background Water Quality Initiative; Manitoba Zero Tillage Research Farm; the development of a Risk Based Livestock Assessment Protocol; the Association of Irrigators in Manitoba (AIM); and Regional Irrigation Associations.

The Section assisted with an irrigation support program for new irrigators that included the assessment of soils and water for irrigation suitability.

Staff co-ordinated the Crop Residue Burning Authorization Program, established under the Burning of Crop Residue and Non-Crop Herbage Regulation.

A detailed soil inventory project in the Rural Municipalities of Springfield and Tache continued. A final report on the detailed soil survey of the RM of South Cypress is near completion. Work is progressing to develop a complete soil resource inventory package for the Assiniboine Delta Aquifer.

The Agrometeorology Program continued to make progress in the development of computer based real time agricultural weather information packages with the delivery of information through the Manitoba Agriculture and Food Home Page and the Agrometeorological Centre of Excellence (ACE). Significant input was provided towards the establishment of a real-time agricultural weather network for Manitoba. The network is designed to facilitate the development of practical weather based products including real-time on farm decision support programs on a co-operative basis with various levels of government departments, crown corporations, industry and producers for delivery by ACE.

In the area of agricultural land utilization, staff provided input and reviews for more than 250 projects and proposals associated with the environment, highways, rural gas and water line installations, gas and oil pipelines, hydroelectric transmission line routings, municipal by-laws, development plans and zoning by-laws. A specific focus included planning issues related to the expansion of the livestock industry.

Crop Diversification

Staff evaluated innovations in pest management, irrigation, product quality and new crop development. Saskatoons, sea buckthorn, hemp, corn, buckwheat, medicinals, aromatic plants, spices, essential oils and oriental vegetables were among the new crops under development. Two saskatoon/chokecherry trials were continued in co-operation with the Parkland Crop Diversification Foundation. Demonstration orchards and strawberry trials are continuing in conjunction with the Agriculture and Agri Food Research Station in Morden.

Crop Diversification Section staff organized the Horticulture Production Days program which featured the Western Potato Council along with a fruit program.

A variety of newsletters were produced in co-operation with industry partners. These included: Potato Newsletters (3 issues, Manitoba Potato Council and Manitoba Crop Diversification Center); Saskatoon Newsletter, in conjunction with the Prairie Fruit Growers Association; and Sachets Newsletter, in conjunction with the Medicinal and Aromatic Plant Association of Manitoba

For the 2000 growing season, 17 weekly Vegetable Reports were issued. These reports offered growers timely information on insects, diseases and general production information. They were distributed to major commercial vegetable growers and Agricultural Representatives, and were posted on the Manitoba Agriculture and Food Website.

All fact sheets and booklets, including the *Guide to Fruit Crop Protection and Production* and the *Fruit Crop Insect Guide*, were made available on the Department's Internet site as free information, and were also available for purchase.

The late blight of potato disease forecasting program provided disease risk information and management recommendations to potato growers from June 15 to September 15, 2000. Information was available on the website and the 1-800 potato hotline.

In response to disease risk conditions for the potato crop, staff requested and received an emergency registration of Quadris fungicide for use on potatoes.

For the fourth year the Manitoba Oriental Vegetable Production and Marketing Evaluation Project was conducted. This project is working towards the commercialization of oriental vegetable production in Manitoba. Over 100 crop varieties were grown in test plots at the Manitoba Crop Diversification Centre (MCDC) in Portage la Prairie. Demonstration sites were also maintained in Selkirk, St. Pierre, Roblin and Carberry. Interest in oriental vegetable production has increased as

a result of these trials. In 2000, over 100 acres were grown commercially. A group of producers in the Selkirk area will also be increasing production acreage in 2001.

Some of the vegetables included in this project are bok choy, rapa cabbage, Gai Lon, oriental cucumber, oriental sno-peas, miniature corn, white zucchini and oriental melon varieties.

Staff provided agronomic information on:

- hemp, through research trials, factsheets, extension work and direct contact with growers; an insect pest survey on hemp was conducted to determine potential pests which could harm the crop.

- corn and buckwheat, through tours, research trials and factsheets; to help farmers achieve optimum returns from corn and buckwheat; a program was initiated to monitor European corn borer utilizing pheromone traps as well as the development of recommendations for control.

- An extensive herbicide-screening program was undertaken in 2000. In total 23 herbicides were tested on 17 seedling forage crops and 28 herbicides were tested on six established forage crops. Data collected from these trials will be used to support minor use herbicide registration.

- Specialists made on-site visits to greenhouses, nursery and landscape operations to provide agronomic information.

Crop Development

The Crop Development Section, in co-operation with the Manitoba Crop Variety Evaluation Team, co-ordinated the 2000/2001 Variety Evaluation Program. This program consisted of 19 test sites (of which five sites were entirely funded by the industry, five were funded partially by grower groups and nine were conducted by private companies). Most test sites contained between 125 and 165 varieties of cereals, oilseeds and special crops. Project contractors included Ag-Quest Inc., AgriProgress, ICMS Inc., and Agriculture and Agri-Food Canada.

Section staff, in co-operation with regional staff and the Manitoba Forage Seed Association assisted with the 2000/2001 Forage Variety Evaluation Program consisting of three full test sites. Evaluation of 320 varieties of 11 forage species was conducted for forage and/or seed production potential. The Section also co-ordinated variety testing programs for sunflowers resulting in the registration of several new sunflower hybrids.

Varietal performance data was published in *Seed Manitoba,* with 23,000 copies distributed through the Manitoba Co-operator in co-operation with the Manitoba Seed Growers Association.

There were 25 issues of the *Manitoba Crop Report* published which provided timely information on seeding and harvest progress and various crop pest and fertility issues. These publications were prepared in co-operation with regional staff and were distributed electronically to media outlets.

Several major extension publications were created, revised and distributed, including: 8,500 copies of the *Guide to Crop Protection*, 1,500 copies of a manual for the production of sunflower and 4,000 copies of an updated version of Soil Fertility recommendations. Other technical publications consisted of 138 e-bulletins, magazine articles and fact sheets on a range of crop production issues.

Staff provided significant input to published estimates of Cost of Production for Crops. The Entomologist issued nine insect updates in electronic form during the growing season to assist producers, Agricultural Representatives and industry in keeping abreast of insect pest development.

Several major training events involving staff assistance and development were held, for example: the annual Grazing School, Manitoba Agronomists' Conference, and the Ag Days technical program. Regional staff received training and updates in a variety of crop production issues during three one-day training workshops conducted by the Section. The section developed and delivered crop diagnostic training schools in co-operation with the University of Manitoba. A two-week summer school program was delivered to 500 industry agronomists, farmers and department staff.

Several field activities involving staff occurred, for example: establishing the five multi-year managed grazing and pasture fertility demonstration sites across Manitoba; concluding field evaluations of methods used to detect herbicide resistant weeds; and conducting province-wide surveys of insect pests with the assistance of Agriculture Representatives. In addition, prairie-wide insect surveys were conducted in co-operation with other agriculture departments. The Section co-operated with the University of Manitoba and Agriculture and Agri-Food Canada in conducting field trials to evaluate the economics of crop inputs for canola. Four field trials were conducted to determine the effectiveness of fungicides against fusarium head blight.

Narrow-row edible bean trials were conducted at six locations. Replacements for lindane-based canola seed treatments were tested in field evaluations at five locations. Field testing of soybean was conducted at four locations. The Section co-operated with regional staff and the Manitoba Forage Council in implementing the Manitoba Hay Certification Program and a hay listing service. Results from all field activities were extended to growers and the industry.

The Section expanded branch programming in organic agriculture with the staffing of an Organic Agriculture Specialist position.

Staff co-ordinated the emergency registration of Folicur fungicide for use in controlling fusarium head blight in cereal crops.

Section staff provided support to numerous organizations including: Manitoba Pulse Growers; National Sunflower Association; Manitoba Canola Growers; Canola Council of Canada; Flax Council of Canada; Manitoba-North Dakota Zero Tillage Farmers; Manitoba Zero Tillage Research Association; Manitoba Seed Growers; Canadian Seed Growers; Pesticide Free Production Canada; Organic Producers Association of Manitoba; and Manitoba Forage Council. Reports to grower/industry organizations totalled 54 and related to a range of crop production issues.

Support was provided to the Marketing and Farm Business Management Branch in the area of pulse and hay market development.

Staff provided department input at the national level for the Federal/Provincial Work Group on the Life Science Economy and to the Canadian Agri-Food Research Council. The Fertility Specialist supported the delivery of the Certified Crop Advisor program in Western Canada.

Weather-based crop disease forecasts for sclerotinia disease in canola and fusarium head blight disease in wheat were prepared and delivered on the Internet and farm newspapers. Maps depicting disease pressure were produced with the Agriculture Resources Section and grower industry organizations.

Staff conducted 142 technical presentations before 6,000 growers and 1,760 industry agronomists. These presentations provided information regarding cereal, oilseed, pulse crop, alternative crop, forage, pasture and seed production. In addition, staff responded to 3,000 telephone and e-mail enquiries from producers, agricultural representatives and industry agronomists with agronomic recommendations. Section staff were cited in 170 radio, television and print items as a result of interviews on a range of crop production topics.

Soils and Crops Programs

The Soils and Crops Programs Section addresses agri-food issues in biotechnology, nutraceuticals and functional foods, and administers both the Agri-Food Research and Development Initiative (ARDI) and Covering New Ground programs.

A Biotechnology Working Group was established to develop recommendations with respect to biotechnology, co-ordinate staff training, facilitate the development of extension programming and to support activities in consumer information and labelling.

Staff actively support the network of expertise in nutraceuticals and functional foods, including the National Centre for Agri-Food Research in Medicine. Agronomic production practices, the identification and preservation of active ingredients and the clinical trials to support the effective use of nutraceuticals are all key elements in further seizing opportunities involving nutraceuticals and functional foods.

A working group on Nutraceuticals and Functional Foods was established to develop a vision and plan for nutraceuticals and functional foods in Manitoba. Activities of the Working Group will include compiling current research and extension activities in Manitoba, assessing the overall capability of this industry sector, reviewing regulatory requirements for market access, recommending priorities for research and clinical trials, and agronomic investigations, encouraging grower co-operatives and other strategic partnerships to ensure local processors and manufacturers have the needed resources, can be price competitive and can ensure batch standardization to meet world market demands, and will consult with other government departments and industry to assess overall capacity and interest.

4 (d) Soils and Crops

Expenditures by Sub-Appropriation	Actual 2000/2001 $ (000's)	Estimate 2000/2001 FTE	Estimate 2000/2001 $ (000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	2,566.4	55.12	2,924.0	(357.6)	1
(2) Other Expenditures	1,046.4		1,074.0	(27.6)	
TOTAL EXPENDITURES	3,612.8	55.12	3,998.0	(385.2)	

1. *The variance under authority was mainly the result of vacancies, which the Department was attempting to manage so as not to adversely affect client service.*

Irrigation Development (4e)

Soils and Crops Branch staff were involved in the negotiations with federal government representatives towards a federal commitment to the Surplus Water Irrigation Initiative, resulting in an agreement between the province and the federal government in 1997. This program offers assistance to irrigation associations and other organizations in planning and developing sustainable irrigation projects in Manitoba.

A total of 15 infrastructure projects were approved that will support 14, 717 irrigated acres. In addition, eight infrastructure projects were approved in 2000/2001, with payments being made on all projects.

There were three area management projects funded that assisted local irrigation associations in the development of infrastructure proposals and project management.

Four applied research, demonstration and technology transfer projects received funding. These projects examined: dentrification in the Assiniboine Delta Aquifier; development and installation of a fish screen; development of field deployment equipment; and a study on the economic impact of irrigation.

Staff are now in discussion with Prairie Farm Rehabilitation Administration (PFRA), irrigation associations, commodity groups, processors and other stake holders to develop a new and expanded irrigation development program to follow the Surplus Water Irrigation Initiative when it terminates on March 31, 2002.

4 (e) Irrigation Development

Expenditures by Sub-Appropriation	Actual 2000/2001 $ (000's)	Estimate 2000/2001 FTE	Estimate 2000/2001 $ (000's)	Variance Over / (Under)	Expl. No.
Other Expenditures	817.7		822.5	(4.8)	
TOTAL EXPENDITURES	817.7		822.5	(4.8)	

Food Development Centre 4(f)

The Food Development Centre (FDC) provided leadership in the creation, expansion and diversification of the agri-food industry through industry networks and expertise in food processing.

During 2000/2001, FDC completed a strategic planning process that initiated the repositioning of the Centre within the food processing industry.

In conjunction with its strategic partners, FDC facilitated the development of 14 new products, and assisted in the creation of 29 new employment opportunities that are expected to contribute $3,518,100 in GDP and $287,100 in provincial taxes over a five-year period.

To support industry, FDC addressed 697 requests for information; completed trouble-shooting activities for two major food processing companies; and trained 378 Manitobans at leading edge technical seminars.

FDC is a Special Operating Agency and the 2000/2001 activities, financial data and performance measurements are detailed in FDC's Annual Report.

4 (f) Food Development Centre

Expenditures by Sub-Appropriation	Actual 2000/2001 $ (000's)	Estimate 2000/2001 FTE	Estimate 2000/2001 $ (000's)	Variance Over / (Under)	Expl. No.
Other Expenditures	1,011.9		912.4	99.5	
TOTAL EXPENDITURES	1,011.9		912.4	99.5	

Regional Agricultural Services (5)

The Regional Agricultural Services Division primarily provides the front-line delivery of Manitoba Agriculture and Food programs. This Division, as an agent of change through technology transfer, aims to enhance the viability of family farms and to improve living standards in rural communities. It also administers Agricultural Crown lands.

There are four regional offices and 40 district offices served by a staff of Agricultural Representatives, Home Economists, Crop and Livestock Specialists, Engineers and Farm Management Advisers. These staff provide services aimed at helping farm families to increase their incomes, primarily through enhanced farm management skills and production practices.

Regional staff facilitate the bringing of various strategic partners (such as producers, consumers, government, financial and scientific communities, processors and marketers) together to develop and expand value-added activity and diversification in Manitoba. Moreover, staff assist producers and processors increase sales of primary and processed products to domestic and international markets.

The regions assist in the development of rural leadership by providing support to local 4-H and Youth programs. Regional and district staff help ensure the success of 4-H by organizing workshops for club officers, public speaking training, competitions, rallies, member exchange programs and livestock shows. In addition, staff work with community improvement and economic development groups to build a more promising future for rural youth.

Regional staff work towards improving the well-being of the farm family. Staff activities involve promoting a better understanding of nutrition, food safety and sound financial management.

The regions are involved in extension education and participate in the planning and delivery of agricultural training in conjunction with Assiniboine Community College. Staff also make extensive use of producer newsletters, local news columns and local broadcast media to reach farm families. Demonstrations, producer clubs, individual counseling and production planning services are also used to promote better farming practices and management. All of these activities are carried out in accordance with specific Department strategies for beef, hogs, crops, forage, farm management, soil and water conservation, home economics, human resources and 4-H.

The Division is also responsible for effectively administering the disposition of Crown land designated for agricultural production and to improve the productivity of this land through improved management techniques.

Northwest Region (5a)

Farm Management

Regional staff made 3,532 general contacts and 1,486 intensive contacts on farm management subjects during the 2000/2001 fiscal year. Intensive contacts involved management counselling with 145 farm families. Farm management principles and practices, farm transfer alternatives, along with business management and marketing strategies made up part of the agenda for 47 one-day seminars involving 598 clients.

Staff facilitated the process of technology transfer through the use of four marketing, seven commodity, two Project 2000, and 24 other producer clubs and study groups. In partnership with industry, government agencies and community and producer groups, eight courses were delivered by Northwest Region staff, providing 261 farmers with specialized agricultural training.

Agri-Ventures

Value-added and diversification initiatives were part of 91 events involving 2,760 clients. Events included seminars, conferences and tours, where participants explored new technology and new market opportunities. There were five special projects, involving funding-in-progress, with the Manitoba Agri-Ventures Initiatives Program. Staff facilitated group processes and business planning directed towards the development of meat and food processing, new livestock, crop and forage production and processing, agri-tourism and community development. These initiatives continued to be supported through the integrated services of Inter-Governmental Affairs, Industry, Trade and Mines, Agriculture and Food and local development agencies.

Crop Production Enhancement

Crop production assistance was provided through 11,329 contacts and 2,713 intensive contacts. There were 129 group activities accounting for 2,564 contacts. The Parkland Crop Diversification Foundation (PCDF) has become an effective tool in evaluating and demonstrating new crops, diversification options and production. Industrial hemp production created much interest in the Region. Approximately 3,500 acres of hemp was grown in Manitoba with two-thirds grown in the Northwest Region. Hemp marketing and processing options have been extensively explored by the Parkland Industrial Growers Co-op Limited and is showing promise.

Technology transfer continued through extension efforts in field days, tours, farm family seminars, clubs, and one-to-one contacts.

Forage production in the Region continued to increase rapidly, with producer interest in growing forages for hay, seed, pasture and silage. There was considerable interest in intensive grazing management, setting up rotational grazing systems, and the use of annuals for pasture production systems.

The Timothy Hay industry continues to expand due to the location of the compacting plant within the Northwest Region. Forage related topics were discussed at 85 producer meetings and seminars involving 2,837 producers. Forage production assistance was provided through 3,843 contacts. The Parkland Crop Diversification Foundation facilitated six forage demonstrations. An annual forage variety trial was evaluated and tested on a provincial basis.

Livestock Production Enhancement

Livestock technology information was provided to farm clients through 6,461 general and 1,720 intensive contacts. There were 210 livestock group meetings with an attendance of 8,925 producers. Regional staff worked with one beef club and two feeder associations, 4-H groups, community agricultural societies and local veterinary service boards. Pasture management and livestock handling facility presentations were given at four producer sessions. Northwest Regional staff formulated 575 rations for 205 cattle producers. Regional staff assisted in the organization and facilitation with the Manitoba Dairy/Forage/Beef Opportunities conference in Winnipeg, attended by approximately 200 producers.

Regional Pork Task Team members held 24 swine investment meetings with 18 potential investors. Manure management issues were addressed with both beef and swine producers regarding the requirements of the Livestock Manure and Mortalities Management Regulation. Pork Quality Assurance meetings were held in three locations. There were four intensive livestock development open-house meetings for the public. Five additional finishing barns were constructed and four additional finishing barns are being constructed in the area, marketing 23,000 hogs per year. A 3,000 sow farrow-to-finish operation is in the planning stages.

4-H and Youth

In 2000/2001 the Northwest Region had a 4-H membership of 802 members taking 897 projects with 339 leaders teaching 391 project groups. The most popular projects continued to be equine, beef and crafts. There were 11,466 general contacts and 3,029 intensive contacts made to support the Northwest 4-H program.

Staff worked with volunteers from the Regional Council, five district councils and 39 clubs to organize over 390 events that included leader appreciation evenings, officer workshops, bonspiels, inter-club beef shows, communication competitions, and achievements, as well as training events for leaders and members. The Roblin District Council participated in the community homecoming event and used this opportunity as a 4-H promotion.

Regional activities included a one-day horse show, a regional communications event, a five-class livestock judging clinic, a joint senior members' conference with the Southwest Region, as well as a partial sponsorship of 32 members to attend a summer camp of their choice. Senior members were selected for travel opportunities by interview.

Three hundred grade five students from 14 schools in the Parkland area, along with teachers and parents, participated in "Where's Agriculture?" at the Dauphin Agricultural Society's Challenges of Production Farm Family Seminar in February. Students were invited to participate in a post tour mural contest. Entries were displayed at the Dauphin Marketplace Mall in mid March. "From Farm to Fork...The Rural Urban Connection" a two-day event, was a partnership of the Swan Valley District Council, with the Northwest Pork Producers, Swan Valley Agricultural Society, area school division and Manitoba Agriculture and Food to provide a hands on experience to over 700 participants. Along with the agricultural awareness focus, this provided an excellent opportunity to promote the 4-H program.

ABC on the Farm, a farm safety presentation, was offered to grades two and five students at three elementary schools in Dauphin in the spring of 2000.

District staff support provincial activities by serving on planning committees and acting as chaperones. The Regional Specialist is responsible for the provincial equine program and its activities including the Young Horse Development Project in co-operation with Manitoba Equine

Ranching Association (MERA) and North American Equine Ranching Information Council (NAERIC).
The Quality Equation resource binder is being utilized by volunteer leaders and staff in the Region. The second annual Leaders' Conference was held in November 2000 in Gimli with the focus of Quality Projects. Two regional staff members were presenters at the conference.

Soil and Water Conservation

Staff worked with six local soil management groups and six water conservation districts to provide assistance for sustainability. This involved 2,911 contacts and 155 intensive consultations. Groups initiated 62 different projects under the Covering New Ground initiative. The majority of the work was related to pasture management and included rotational, swath and complementary grazing, pasture renovation practices, hay testing, and management for quality. Crop projects included demonstrations for new crops as well as numerous crop and pest management field days. Integrated pest management included fly tunnels for chemical-free livestock pest control, and herbicide resistance surveys.

A demonstration to show cattle producers how to develop an off-shore watering system along Lake Manitoba resulted in the removal of a cattle herd from wintering on the lake, as well as increasing awareness of the riparian water quality issues. The majority of the crop diversification projects across the Northwest Region were carried out by the Parkland Crop Diversification Foundation (PCDF).

A technical advisory group of staff from various Manitoba and Saskatchewan government departments is completing the collection of background information for a Swan Lake management plan.

The Shell River Watershed Quality Board, consisting of rural municipality and provincial and federal representation, has been formed to study the quality of the watershed, and to initiate projects with landowners.

Home Economics and Human Resource Management

Home Economists focussed on the areas of value-added and diversification, marketing, leadership, consumer awareness and human resources.

An agri-tourism tour, "In Your Own Backyard", was held in the Roblin/Inglis area. Two tours were organized to accommodate 112 participants from the Swan River, Russell and Dauphin areas. Value-added and diversification was the focus of five meetings and five displays in the Region.

The Direct Farm Marketing Conference was a two-day event that introduced marketing information and skills to over 100 participants. Participants came from greenhouse, U-pick, roadside market, farmers' market, entertainment farming, teahouse, and bed and breakfast industries.

Farmers' Markets were active in the Dauphin, Swan River and Roblin areas. Community support was excellent. Some vendors were interested in expanding their marketing efforts. The "Kitchen to Market" kit continued to be used extensively as a resource for potential entrepreneurs.

Home Economists worked closely with staff, the Swan Valley Enterprise Centre, Pelly Trail Economic Development Group and other agencies to provide information on value-added and diversification.

Home Economists worked in developing the leadership skills of individuals with training and education in the form of leadership training events. These events were held with the Women's Institute, rural women, 4-H leaders and members.

Home Economists continued to support the 4-H program through district councils and individual support to 4-H leaders and members. In addition, wind-up and rally activities were held in each area. There were 1,768 general and 576 in-depth 4-H contacts made, and 113 one-day events were attended by 4,587 individuals.

Agriculture awareness and farm safety were emphasized through displays and focussed activities. "Farm to Fork...The Rural-Urban Exchange" awareness project between ten Russell students and ten Winnipeg students occurred in the Russell area. A Pizza Pizzazz Junior Fun Day was held in the Dauphin area with 92 4-H members participating.

Farm transfer is an ongoing priority. The Farm Family Business Advisor was held in Roblin. Project 2000 was held in Russell and Roblin. The Home Economics summer student was instrumental in compiling a biotechnology resource binder and database. This resource was given to agriculture provincial groups as well as to every district Home Economist.

In total, 2,224 presentations were made to 5,857 participants. Individual assistance included 5,721 general contacts and 1,232 in-depth consultations. Home Economists provided regular news columns, weekly radio reports and district newsletters. Seventeen displays were developed.

Agricultural Crown Lands

Four Land Representatives monitored and administered 885,513 acres of agricultural Crown land; representing 912 forage lease holders. In addition, 16 cropping leases, 10 casual hay/grazing permits and 86 renewable hay/grazing permits were issued. Staff initiated eight projects with lessees to demonstrate the integration of range management principles into their ranching practices. The Garland Project with Louisiana-Pacific Canada Ltd., Agriculture and Agri-Food Canada, Manitoba Agriculture and Food, and the Rural Municipality of Ethelbert continues to research proper stocking rates for optimum productivity on logged-over areas encouraging grass production and the recovery of woody vegetation for future logging.

5 (a) Northwest Region

Expenditures by Sub-Appropriation	Actual 2000/2001 $ (000's)	Estimate 2000/2001 FTE	Estimate 2000/2001 $ (000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	2,128.7	45.79	2,169.0	(40.3)	
(2) Other Expenditures	840.8		849.2	(8.4)	
TOTAL EXPENDITURES	2,969.5	45.79	3,018.2	(48.7)	

Southwest Region (5b)

Farm Management

In 2000/2001, staff made 6,060 individual general contacts and 1,572 individual in-depth consultations.

The major demand on farm management services continued to be financial counselling because of continuing low crop commodity prices. The main services offered by Farm Management Specialists included debt restructuring, mediation services, farm transfer inquiries, production cost analyses, budgeting, record keeping questions, business agreements/requests from producers/bankers, credit reviews and business financial analyses. Training seminars for producers in using FarmPlan, a computerized farm analysis program, was a major extension activity undertaken this year.

Group and individual counselling continued in the area of marketing, including involvement with seven grain marketing and eight beef marketing clubs. Pasture management and costs of grazing, as well as cattle backgrounding questions, dominated livestock inquiries.

Computers, the Net Income Stabilization Account (NISA), the second Canada-Manitoba Adjustment Program, Enhanced Crop Insurance (ECI) and Canadian Farm Income Program (CFIP) also involved considerable staff time. Staff answered many inquiries on leasing agreements such as crop and custom work arrangements, and on estate planning and farm business structures.

Staff developed various resource publications and computer programs for distribution to producers and field staff. In addition, courses were delivered through the Manitoba Farm Business Management Training Project.

Value-added and diversification inquiries continued involving many requests from local community Economic Development Boards and producer associations. These inquiries covered such areas as the feasibility and economics of agriculture processing, non-traditional crops and livestock, large livestock operations and agri-tourism.

Crop Production Enhancement

In 2000 the region returned to more normal production levels than from the previous year. Many of the region's activities still dealt with correcting problems created by the 1999 flood, primarily in the area of weed control. Although yields were good with most crops, Fusarium Head Blight infected most of the wheat and barley crops at very severe levels, probably the highest level ever. This impacted yields to some degree, and severely affected grades.

Forage extension focussed on production and marketing of high quality alfalfa and rotational grazing systems. Extension activities included species selection, forage establishment, fertilizer management, quality assessment, export marketing, high tensile fencing and pasture management. These activities were delivered through demonstration sites, workshops, seminars and the Pasture School.

The Crop Diversification Initiative involved several activities which included the operation of a Crop Diversification Demonstration Farm at Melita, with the main focus on potato, grass seed and pulse crops production. Included were demonstration activities at the Manitoba Crop Diversification Centre in Carberry along with other activities that involved projects on irrigated alfalfa, field beans, chickpeas, silage, corn and other silage crops.

Staff made 11,905 general contacts and 1,344 in-depth consultations. As well, staff attended 230 meetings, tours and field days.

Livestock Production Enhancement

Staff increased their involvement working with livestock producers developing rations and advising on utilizing alternate opportunity feeds. Staff involvement included nutrition work with cow-calf, backgrounding and feedlot operations on a one-to-one basis, as well as through workshops and public meetings. The Region continued to work with producers on genetic education programs, primarily through bull test stations, herd health programs and facility design for existing and new operations.

Staff were involved with producers on the expansion phase of the backgrounding and feedlot industries, in the development of site design, feeding management plans, budgets and market potential. As well, staff were active in the promotion of beef quality assurance through individual contacts and the mass media.

Staff conducted hands-on feeder schools due to the increased interest in livestock feeding. As a result of producer interest, further cattle feeder seminars are planned. More emphasis will be placed on the environmental sustainability issues, in particular confined livestock feeding as well as issues relating to animal handling and well being.

There were four feeder barns opened with the capacity for 16,800 feeder pigs and one feeder barn was under construction. Two farrowing barns were opened with a combined capacity of 5,500 sows, and four more farrowing barns, with a total capacity of 11,400 sows, were under construction.

Four livestock meetings, dealing with large livestock operations, were held with local councils. There were four open house information sessions and numerous meetings with individual councils on livestock issues. Five meetings were held on the Pork Quality Assurance program. Most producers in the region attended.

Dairy extension was carried out with local dairy clubs and through individual contacts. Dairy production remained relatively constant.

Staff made 7,882 general contacts and 1,929 in-depth contacts, to provide for technical livestock consultation. As well, staff participated in 116 meetings, tours and field days.

4-H and Youth

In 2000/2001 the Southwest Region had a 4-H membership of 1,298 members and 573 4-H leaders participating in 75 clubs. Initiatives in the Region's 4-H program continued to include: enhancing rural leadership; providing training and opportunities in communication; leadership and meeting management; agriculture awareness; and promoting the 4-H program.

The Regional 4-H Council and the 4-H & Youth Specialist, in co-operation with strategic partners, organized a Regional Communications event for 72 young people. As well, other 4-H events included: Intermediate Activity Day – Pik-a-Day with 4-H for 54 members; an opportunity to experience camp for 41 members, as well, 17 members participated in livestock judging and a 4-H Regional Scholarship. Southwest Home Economists hosted a 4-H Leadership Development Week with leader training events in four locations.

The Senior Conference program joined with the Northwest region to host the first annual Western Region 4-H Senior Conference. Eighteen Southwest members participated. The Regional 4-H Specialist and the Southwest Home Economists co-hosted a series of "Help is On the Way" workshops for leaders in the region. Nine members applied for 4-H travel opportunities by completing a 4-H Career Portfolio and an interview.

The Manitoba-Tanzania Entrepreneurship Training Association had an external evaluation of their program and served as a catalyst to the creation of two new projects. One was a provincial 4-H initiative focussed on international marketing and another was a Marquis Project focussed on maintaining contact with the Tanzanian youth entrepreneurs. Members of the group have shared their experiences in a number of presentations around the province.

The Fall Fair 4-H Showcase included a partnership with the Manitoba Association of Agricultural Societies (MAAS), Agriculture in the Classroom – Manitoba (AITC-M), Provincial Exhibition Agricultural Education Committee, and the Southwest 4-H Program featuring quality 4-H exhibits, MAAS quilts and interactive agriculture education stations with "A Salute to Agriculture" theme.

The 4-H program's support of Ag Awareness initiatives was greatly enhanced by partnering with Agriculture in the Classroom – Manitoba, Western Region Subcommittee and Provincial Exhibition Agriculture Education Committee.

Southwest Light Horse and Pony Association was active in coordinating a Regional 4-H Horse Show with 40 riders. It was a first time event, with a non-competitive novice training show.

Eleven district councils, in co-operation with District Staff, organized rallies, fun days, inter-club shows, as well as training sessions for members and leaders. 4-H members, leaders and parents are primary clients to Manitoba Agriculture and Food staff in the region. These clients view the 4-H program as an opportunity to improve their leadership, communication, production and life skills.

Soil and Water Conservation

There were 13 Local Delivery Groups (LDG's) that received funding for 25 projects within the Southwest Region. Twelve projects are highlighted below.

Two projects were supported to examine silage production in the region. Such projects included annual crop silage trials and the evaluation of corn silage. One project examined 385 forage and feed grain samples from 154 livestock producers. Follow-up enabled a balanced ration to be formulated specifically suited to their needs.

The New Crops Program encouraged producers to learn about new crop agronomics, markets and economics from each other by growing new crops on a small field scale. Crops included hulless oats, field peas, field corn, and confectionery sunflowers. Three summer tours and four winter meetings were held. One project examined the potential of Festulolium, which is a cross between annual ryegrass and meadow fescue.

Two projects addressed leafy spurge concerns in the region. A leafy spurge fact sheet was produced and circulated. Numerous presentations, field days and field surveys were conducted. Baseline data was collected for the 1997 beetle release sites. Preliminary analysis of impacts indicates that the value of lost production exceeds $15 million per year and impacts at least 348,000 acres. Another project used goats for biocontrol of leafy spurge when grazed with an existing cattle operation.

Manure management was addressed in two new projects. One project examined the distribution of manure on pasture, and reduced the impact on riparian areas and water sources. Increased stocking rates were possible by increasing the percent utilization of legumes and grasses on pasture through intensive grazing. A second project demonstrated an effective method for capturing and preventing feedlot manure runoff from entering a surface water body.

One project installed three low level instream livestock crossings to reduce the impact in riparian areas and to improve downstream water quality. Another project taught participants how to conduct riparian assessment and select land management tools for their land situation. Another project studied the economics of different feeding systems. An objective of the project was to determine if additional costs in feed preservation are offset by animal performance. Two projects studied methods to extend the grazing season in an attempt to lower winter feed costs and decrease the quantity of manure to be hauled. An additional project used barley straw to cover an earthen manure storage for odour abatement. The project was successful in controlling odours and other livestock producers are currently adopting the practice.

Many of the above projects also included a communications component comprised of tours, newsletters, seminars, news releases and workshops.

In 2000/2001 staff inspected 389 subdivisions and comments were noted on each subdivision.

Home Economics and Human Resource Management

The challenges of value-added and diversification, with emphasis on opportunity identification and marketing, were key focus areas for Home Economics programming in 2000/2001. Several initiatives were also directed towards developing leadership capacity within the Region, building recognition and understanding of Home Economics programs and consumer awareness of agriculture.

Several agriculture diversification and value-added enterprises were highlighted at a Small Business Week seminar in Brandon, a diversification seminar in Minnedosa, an open house in Melita, and two farm tours featuring various livestock and crop alternatives. These activities reached over 190 individuals. Agri-tourism was explored as an opportunity for diversification by a number of groups and individuals. Home Economists worked with agri-tourism associations, which represented different businesses in the region. The three groups participated in joint marketing projects and educational events. Home Economists working with the Southwest Farm Women's Network reached 90 women on the two additional tours exploring various diversification enterprises in the Brandon, Shilo and Rivers areas.

The two-day Direct Farm Marketing conference introduced marketing information and skills to 110 participants. Maximizing market opportunities was the conference theme with educational seminars on topics such as internet marketing, catalogue sales, innovative partnerships, rural experiences, and entertainment farming. Marketing skills were also the focus of a seminar "Building on What You've Started" which attracted 15 agri-tourism businesses.

In working with the Southwest Farm Women's Network, a leadership training seminar was held to develop leadership skills among community members. A 4-H leadership week was held with four leader-training events delivered by Home Economists. Executive training and communications workshops were also delivered to 4-H members in the Region. Home economists also worked with community groups to build leadership and community capacity. Some of these groups included the Community Development Corporations, Community Enterprise Centres, Heart Health committees, Healthy Community committees, Chamber of Commerce, Women's Institutes, Agriculture Societies, farmers' markets, schools and the Manitoba Farm Women's Conference.

The theme of an Ag Days display was to build awareness of Manitoba Agriculture and Food Home Economics programs, resources and services.

Consumer and agriculture awareness was emphasized through a number of activities with a focus on the safety and quality of Manitoba food products, current agricultural practices, and the importance of the agriculture industry to the provincial economy. A display at the Brandon Shoppers' Mall, displays at local Agricultural Society fairs, community trade shows, community wellness fairs and other community events, and a tour aimed at bridging rural-urban understanding was organized for two Chamber of Commerce groups. Several presentations by Home Economists on biotechnology were delivered at events such as the International Ag and Seed Show in Bottineau, Women's Institute meetings and through other community service agencies such as schools and regional health authorities.

Staff were involved in 1,145 group meetings involving 10,985 participants. There were 147 news columns, 16 newsletters, 12 radio and television spots and 35 displays generated. Individual assistance included 3,096 general and 784 in-depth consultations.

Value-Added and Diversification

Staff provided support through individual consultations and by developing programs and projects to further enhance diversification and value-added ventures in the region.

In 2000/2001, the Crop Diversification, Livestock Diversification and Food and Value-Added Program Area Teams were instrumental in identifying priorities and specific projects on which to focus. Due to the number of inquiries from clients about value-added and diversification opportunities, staff from the Southwest Region developed many extension meetings, workshops and tours.

Staff initiated a number of projects throughout the region. An Alternative Agriculture Opportunities Open House was hosted in Melita, Minnedosa designed an Alternative Agriculture Ventures Workshop, and Brandon hosted a Pasturing Poultry Workshop. There were crop and livestock diversification tours, as well as a tour designed specifically for Rural Municipality Councilors which focussed on intensive livestock operations. Staff have been involved with the Southwest Fibre Co-operative, and the Pea Can Meal Co-operative.

Souris Valley Irrigation Centre continues to be an important part of the Southwest Region. Projects included forage and pasture demonstrations, potato evaluations and crop development projects. Souris Valley Irrigation Centre has recognized the need to expand their work outside of the Melita district. The concept of a Western Agriculture Diversification Organization has been initiated.

Economic and marketing activity continued to address challenges involving on-farm diversification and developing value-added businesses.

Manitoba Crop Insurance

Southwest Region staff allocated approximately five percent of their time to the Manitoba Crop Insurance Program. In addition to detailed program explanations, staff involvement included Seeded Acreage Reports, Final Production Reports and Confirmation Reports.

Agricultural Crown Lands

Land Representatives located in Brandon and Neepawa administered approximately 200,000 acres of agricultural Crown lands within the Southwest Region. There were 425 Forage Leases, 27 Cropping Leases and 135 Hay or Grazing Permits within the two districts. Crown Lands District offices are responsible for administering Crown lands identified for agricultural production and for encouraging improved management and production on these lands.

An important aspect of the District office's responsibilities is the management of the Crown lands, with the main focus being the improvement of the carrying capacity on Crown land while maintaining the integrity of the natural areas. The most serious management problem on the native lands is the encroachment of brush onto the traditional grassland areas. This is being addressed by promoting bush control methods such as controlled burns, mechanical methods (bark scrapers, roller choppers and bulldozing), animal impact and herbicide control. Leafy Spurge is another serious problem with biological control and sheep/goat grazing being promoted as control methods. Also, to improve forage production and to distribute grazing pressure more evenly on the pastures, several rotational grazing projects have been set up. These management techniques are being promoted and have been demonstrated on several leases.

Demonstration projects include:

- Yellowquill Prairie Grazing Project demonstrates management techniques for rotational grazing, brush encroachment and Leafy Spurge control. This is a joint project with Nature Conservancy of Canada and Manitoba Agriculture and Food as the main partners.

- Roller Chopper Project located in the Rural Municipality of Victoria, includes 100 acres of encroached aspen that has been rolled and chopped. Follow-up treatments to control regeneration (herbicide spray and wick applied, animal impact and controlled burn) are being completed and evaluated.

The Land Representatives also represent the agricultural viewpoint at the local level (Southwest Bloc Planning Committee) regarding the Provincial Government's assessment of Crown land for multi-resource utilization. This is an important function, as without it, much of the agricultural use on Crown lands could be reduced or lost.

The Agricultural Crown Lands Information System was developed and went online to District Offices in 2000/2001. Land Representatives are now responsible for entering and maintaining client and land information on this data base system. The development of this system allows Land Representatives to be able to provide more accurate and up-to-date information for clients.

5 (b) Southwest Region

Expenditures by Sub-Appropriation	Actual 2000/2001 $ (000's)	Estimate 2000/2001 FTE	Estimate 2000/2001 $ (000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	2,438.6	46.83	2,363.3	75.3	
(2) Other Expenditures	719.6		743.8	(24.2)	
TOTAL EXPENDITURES	3,158.2	46.83	3,107.1	51.1	

Central Region (5c)

Farm Management

Farm management information and programs were provided to farmers in the areas of financial planning, credit, debt restructuring, mediation services, risk management, production economics, value-added and diversification, marketing, business organization, taxation and family farm transfer consultations. Staff assisted in updating the cost of production for the potato expansion in the Region as well as the associated irrigation costs.

A total of 6,784 general farm management contacts were made with producers and 1,658 intensive contacts involved 243 individual farm families.

A strong emphasis was placed on marketing agriculture products throughout the region, including the support of 12 grain marketing clubs, five livestock clubs and one Agriculture Partner's club. Regional staff were involved with 48 marketing meetings. Staff participated in the support and promotion of the Crop Insurance Program, Net Income Stabilization Account Program (NISA), Agricultural Income Disaster Assistance Program (AIDA) and the Canada-Manitoba Adjustment Program (CMAP).

The farm planning computer program called FarmPlan was demonstrated to 85 producers, lending institution personnel, and at general farm meetings throughout the Region. The Risk Management Project Initiative sponsored six meetings through the region on a variety of risk related topics for farm producers.

Value-added and diversification inquiries continued to increase as producers adapted to the new market realities of higher transportation costs in the grains and oilseed sector.

Crop Production Enhancement

Crop production activity involved 23,687 general and 3,732 in-depth contacts with clients.

The Central Region was involved in numerous cropping activities that addressed crop type, crop variety adaptation and new crop development. Staff were involved in replicated crop variety evaluations at Treherne, Portage la Prairie and Morris. All three sites are comprehensive satellite sites for the Manitoba Crop Variety Evaluation Trial (MCVET). Agronomic demonstration sites were established at these three locations as well as at Altona, Baldur, Rosebank and Crystal City. Demonstrations involved such areas as new crop development, fertility manipulations, canola fall seeding, insect monitoring and disease scouting. Tours were conducted at each location with more than 700 people attending. Self-guided tours occurred at these demonstration sites throughout the growing season.

There were 95 one-day events such as tours, meetings and seminars addressing crop and livestock production with more than 5,112 clients in attendance. Fourteen in-depth training courses (compiling 12.5 days) were also offered with more than 339 clients participating. Topics included new crop opportunities, fusarium head blight management, winter wheat production, disease and insect update/management, herbicide product updates, genetically modified organisms and fertilizer management.

In 2000/2001 there were numerous on-farm tests co-ordinated by the Department. The tests were organized to evaluate new technologies with producers and to determine the economic viability of new products. Four fusarium head blight fungicide and 20

micronutrient on-farm tests were established. Results were compiled and presented at 15 meetings to approximately 900 producers, 225 fertilizer dealers and 35 research scientists. The Region had a number of projects occur within the Regional Projects Management Initiative including activities in computer technology, farm management skills and on-farm environmental management.

Livestock Production Enhancement

Staff made 5,114 contacts with beef clients, including 1,152 in-depth consultations.

Beef clients were provided with extension input for a wide range of topics. Topic areas included: beef nutrition information, feed testing, ration building, rotational grazing systems, forage management, extended fall grazing, fencing and improved water systems and quality. Economics and farm management topics included beef cow lease agreements, pasture leasing, beef marketing information, feed lot management and budgeting. Producers requested and were provided with information on National Identification, Quality Starts Here, herd health practices, Foot and Mouth Disease, safe handling of cattle, manure management, environment guidelines and riparian area management. Staff supported the 4-H Program through judging and selection workshops, fat stock sales, 4-H beef shows, office administration and records.

Central Region beef production meetings included: the Holland Beef Day; Plumas Beef Seminar; Austin Beef Meeting; Somerset Beef Meeting; High Bluff Beef Meeting; MacGregor Beef Meeting; Clearwater Beef Handling Meeting; the Oak Bluff Feedlot School; Bonnycastle Project; Plumas Beef Economics Meeting; and Austin Beef Low Stress Handling Meeting.

Staff conducted 788 contacts with dairy producers through individual consultations, meetings and other events, of which 384 of these involved in-depth consultations. Information and advice was provided on many topic areas including: forage quality; timing of harvest; storage; utilization and feeding; feeding management and ration formulation; dairy economic analysis; expansion budgets and financial management; cow comfort and facility design; manure storage management and utilization as a fertilizer resource; milking management; milk quality and mastitis prevention and control; and calf and heifer management and economics. The Central Manitoba Holstein Club conducted a fall tour to dairies in Wawanesa and Brandon, held a very successful Dairy Day, and produced several newsletters. Two Dairy Lighting Seminars were held in Holland and Winkler. The Forage and Dairy Specialists were involved in planning, co-ordinating and implementing a trade mission and display at World Dairy Expo.

Staff provided swine extension information to producers and agri-business through 2,748 consultations with individual contacts and at group meetings. As part of the Manitoba Pork Advantage initiative, staff participated in one European trade mission and one trade show in the United States. Information seminars in Europe attracted 454 individuals interested in the Manitoba agricultural industry. The Region also hosted 30 individuals from Europe to investigate Manitoba's agricultural industry. Regional activities included organizing four swine manure extension meetings (64 participants), two swine marketing meetings (81 participants) as well as staff training on swine industry issues. Staff organized and delivered information at seven meetings (209 participants), associated with the Canadian Quality Assurance Program for pork.

Other activities by staff included participation in the Agriculture Expo, assisting with the organization of the 15th Annual Swine Seminar and co-ordinating the Region's Technical Review Team.

4-H and Youth

In 2000/2001 Central Region had a 4-H membership of 1,082 members and 448 leaders. District and Regional staff made 10,532 general and 1,489 in-depth contacts. Rural leadership development, communication skills training, meeting management experience, agricultural awareness and technical skill development were all supported by the 10 district councils, 62 clubs and Manitoba Agriculture and Food staff. The annual Regional Communications event, organized by the Regional 4-H Council and the 4-H & Youth Specialist, attracted 98 4-H members in eleven categories. Other regional 4-H events included the Senior Members Conference with 55 participants and the Central Region Adventure for Zestful Youth Camp for 48 intermediate 4-H members. The Central Region Educational Weekend provided a weekend camping experience for 63 junior 4-H members.

The Regional Light Horse and Pony Association planned a Regional 4-H Horse Show with 23 participants. District 4-H Councils were involved in a variety of activities that provided educational and other opportunities for members and leaders including rallies, fun bonspiels, potluck meals and recreational sports days.

The primary clients of the 4-H Program include 4-H members, parents and leaders. The program provides clients with an opportunity to improve their leadership, communication, meeting management and life skills.

Soil and Water Conservation

In the third year of the Covering New Ground program, staff provided assistance to 12 Local Delivery Groups (LDG's). Staff made 7,000 general client contacts and 400 in-depth contacts.

The major focus of projects in the region was the ongoing support of producer directed demonstration and diagnostic sites highlighting sustainable cropping practices, environmental management practices, and soil conservation. Initiatives involved "Checkstrips" at Rosebank, Baldur and Crystal City, "Forages for the Future" in Altona and "New Crop Adaptation" in Portage la Prairie. The sites provided a diagnostic component for clients interested in Integrated Pest Management, as well as demonstrating crop diversification options and new crop options and their adaptation to local producers. Over 400 interested clients participated in activities such as field demonstrations, soil conservation trials and sustainable crop rotation plots.

Regional initiatives included an on farm testing project led by the Regional Agronomist and delivered throughout the region to locally assess fungicide applications and their efficacy, initiation of a bean club to assist new growers in the sustainable production of beans in areas that had not traditionally grown beans, a regional forage survey to determine nutrient values for feed of traditional and nontraditional feed sources, and a deep nitrate recovery trial.

The South Tobacco Creek Project, located in the Central Region, is directed by the Deerwood Soil & Water Management Association with assistance from the department. This project included a detailed study of agricultural land use in relation to environmental factors such as water quality/quantity. Research activities included small dam headwater storage, preservation of water quality through headwater storage, comparison of run-off water quality between conventional and zero-tillage, the study of manure applied to a small watershed and the impact on water quality, the analysis of sediment loading in the watershed and maintenance of background run-off water quality data.

Home Economics and Human Resource Management

Two agri-tourism networks in the region continued to promote their businesses and tourism opportunities within the region. One Home Economist served as a member of the planning committee for the provincial, *Producers Making It Happen* Conference. Staff worked with farmers markets and agricultural societies to improve the marketing of products and the understanding of value-added products development.

The ABC on the Farm Safety provincial training (train-the-trainer) program included 15 participants from the region who are now prepared to give classroom presentations to students. Four major farm safety events were held with over 650 participants. There was also a farm safety display at Agriculture Expo in Morris. All farm safety programming was completed in co-operation with community resource individuals and agencies.

Staff continued to support the leadership development initiatives within the 4-H, Agricultural Society and Women's Institute programs. Staff supply both technical and leadership development information for clients in the 4-H program.

Regional Home Economists worked on the Manitoba Farm Women's Conference planning committee for the November 2000 event, and joined the committee to plan the 15th anniversary conference being held in Portage la Prairie in 2001.

Agriculture Awareness programming was presented to smaller groups throughout the region, and a display was held at the St. Vital Mall in co-operation with Eastern/Interlake Home Economists.

Staff made over 3,000 individual contacts. There were over 190 group sessions with more than 5,500 participants.

Value-Added and Diversification

Staff provided information to farm families, entrepreneurs, agri-business and producer organizations in the area of value-added and diversification. Staff made a total of 3,131 general contacts and 224 in-depth consultations.

Staff organized four tours throughout the year giving producers an opportunity to learn about new ideas and research that could lead to new value-added initiatives. The Biotechnology and Nutraceutical Opportunities Tour held in Saskatoon attracted 28 producers who met with representatives from Innovation Place, Agriculture and Agri-Food Canada, Agrevo, and the University of Saskatoon.

Forty participants of a Livestock, Forage and Grain Marketing Tour travelled to Alberta. The tour included bean and sunflower processing plants, feedlots and beef processing facilities.

The Marketing Opportunities tour had 18 participants and toured the University of Manitoba Food Science Department, Dominion Malting and Canadian Inovatech.

A regional Agri-Tourism day included vegetable crop production and agri-tourism locations.

The Regional Agriculture Ideas Tour explored innovations in manure management, hay processing and marketing, alfalfa seed production and leaf cutter bee management, plus greenhouse and vegetable production.

An inter-Departmental committee of representatives from Manitoba Agriculture and Food, Rural Development, Environment, Industry, Trade and Tourism, Prairie Farm Rehabilitation Administration (PFRA) and Community Futures met quarterly to focus on value-added opportunities for the region.

Approximately 1,650 producers attended informational meetings held in the region which provided information on opportunities in hemp, soybeans, oriental vegetables, sea buckthorn, nutraceutical crops, hogs, elk, hay marketing, processing and marketing new food products.

Manitoba Crop Insurance

In co-operation with Manitoba Crop Insurance Corporation (MCIC), Central Region staff allocated seven percent of their time to the Crop Insurance Program. Staff routinely assisted in the explanation and compilation of over 4,000 Seeded Acreage Reports, 4,000 Harvested Production Reports and the sale of additional hail insurance.

Engineering

The Central Region staff continued to place a strong emphasis on manure and environmental management including the technical review process. Five working committee meetings were held to develop standards for intensive livestock operations. Preliminary drafts have been completed on standards for site characterization and manure storage for the Tri-Provincial Standards Committee. Five presentations on Manure Storage and Application were presented as part of "Manure As A Resource" series of extension meetings. Three tours involving livestock facilities and manure storage/application were organized. Staff assisted with the revisions to the new Hog and Poultry guidelines.

There were 40 in-depth consultations on engineering design related to livestock facility/ventilation, grain storage/handling, farmstead planning, environmental assessment and technical review process.

Agricultural Crown Lands

Land Representatives located in Neepawa, Teulon and Dominion City administer agricultural Crown land within the Central Region. Land Representatives, in co-operation with Regional staff and the Agricultural Crown Lands Branch, administer the disposition of agricultural Crown land and encourage enhanced land management.

The main activity of staff is to administer long-term forage and cropping leases on Crown land classified for agricultural use. The assessment of Crown land for multi-resource utilization is the responsibility of the Central Bloc Planning Committee and Southwest Bloc Planning Committee.

5 (c) Central Region

Expenditures by Sub-Appropriation	Actual 2000/2001 $ (000's)	Estimate 2000/2001 FTE	Estimate 2000/2001 $ (000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	2,171.3	45.79	2,288.8	(117.5)	
(2) Other Expenditures	717.7		722.9	(5.2)	
TOTAL EXPENDITURES	2,889.0	45.79	3,011.7	(122.7)	

Eastern/Interlake Region (5d)

Farm Management

Staff delivered Farm Management information to producers and agri-businesses through 3,708 general contacts, 1,560 in-depth consultations and a variety of farm management extension meetings. These contacts involved topics such as financial management, record keeping and estate planning.

The Region had four groups of young producers in the new Project 2000 Program. There were 10 group meetings as well as numerous individual meetings between participants and their mentors. An estate planning meeting which attracted 110 people was held for the participants, spouses and family members.

Staff provided information and assistance to producers on government safety net programs such as Agricultural Income Disaster Assistance (AIDA), Net Income Stabilization Account (NISA), Canada-Manitoba Adjustment Program (CMAP) and the Manitoba Crop Insurance Program.

Crop Production Enhancement

Crop production information was provided through 14,836 individual general contacts and 4,022 in-depth consultations.

Cash or export hay markets continued to be an important area of interest to the forage industry in the region and staff were involved in: sourcing new dairy markets in the United States; developing trade missions and displays such as the World Dairy Expo in Wisconsin and the North American International Livestock Expo in Kentucky; and developing newsletters targeted for regional hay producers and marketers. Regional hay lists continued to be important in identifying potential supplies for local and export markets.

Staff continued to focus their forage extension efforts on improving the quality of harvested hay. Extension activities were centered on techniques in harvesting and good quality exportable hay. Numerous demonstration plots, as well as research plots, have been developed through the region.

Staff continued to support the development of the region's hay processing industry. Staff assisted with the development of two processing facilities which are now in operation in the region. Extension activities focussed on promoting related technology to regional producers on the proper production methods required.

Grazing management was of increased interest to clients in the region, by both traditional livestock producers and general crop farmers who are considering diversifying into forages and livestock. Regional staff organized a provincial grazing school, as well as several regional tours and short courses. Pasture planning workshops and on-farm consultations continued, and included projects with hog operations, utilizing hog manure as a fertility source for pastures.

Regional staff co-ordinated the provincial forage adaptation and variety testing program, with test centres at Arborg, St. Pierre and Neepawa, with further test sites in Carman, Roblin and Vita. Activities included herbage yield winter hardiness and forage seed evaluation and evaluation of forage cultivators. Timothy cultivars were also evaluated for quality and disease reactions for use in the compacted timothy hay industry.

Regional staff were involved in forage research and development in Western Canada for both forage seed and forage management. This involvement occurred in co-operation with Agriculture and Agri-Food Canada, other provincial departments, seed trade companies and the University of Manitoba. Staff assisted in the publication of *Seed Manitoba* and in supervising the publication of the *Forage Seed News*, a national publication.

Regional staff have led efforts in developing the grass seed production industry in Western Canada. They coordinated a major investigation effort in weed control in forage crops. The effort looked at crop tolerance to herbicides for 17 different crops in an effort to develop expanded registered options for weed control in these new crops. Regional staff also led efforts to address disease issues in both legume and grass seed crops with a series of investigative trials across Manitoba.

Regional staff assisted provincial specialists in evaluating, testing and promoting new cropping options, focussing on winter wheat, soybeans and edible beans. Staff provided local regional data on the performance of new varieties through the use of three Manitoba Crop Variety Evaluation Trial (MCVET) sites.

Regional staff assisted in the writing and editing of provincial publications providing producers with timely crop production and protection information. District, regional, provincial crop production meetings and tours were organized and 120 presentations on crop related topics were made.

Staff participated in rotational grazing demonstrations and various forage related projects located at the Narcisse Community Pasture, the South East Forage and Livestock Center, and the Seven Sisters Grassland site. The goals of these projects were to demonstrate effective pasture management, maximize gain on pasture, forage varieties and to continue to attract producers as consignors of cattle and tour/workshop participants.

Soil and Water Conservation and Sustainable Agriculture

Nine participating groups received funding for 61 projects under Covering New Ground, an agricultural sustainability funding program.

On-farm conservation and sustainable agricultural activities involved over 6,518 individual contacts and 1,159 in-depth consultations. As well, over 2,000 producers participated in 42 meetings, 12 field tours and 20 field days.

Staff responded to 257 subdivision requests and inspected 146 sites to evaluate those requests. Twelve meetings were held with farmers and municipalities on livestock manure management, zoning issues and land use. Staff continued to assist seven planning districts, as well as review their development plans and zoning bylaws. Two farm practices complaints were reviewed and submitted by staff to the Provincial Farm Practices Protection Board. Staff prepared technical reviews on 27 various livestock proposals.

Livestock Production Enhancement

Livestock extension activities included 5,607 general contacts and 2,063 in-depth consultations.

Beef Extension

Staff made 2,623 general contacts and 862 in-depth consultations relating to production, nutrition, breeding, insect and disease control, pasture management, livestock facilities, cattle handling, record keeping and performance programs, as well as marketing. The region also hosted three of five Manitoba Beef Producer Seminars, which were held in Rosseau River, Teulon and Eriksdale.

Over 600 producers and 100 members of the agriculture and agri-business community attended these sessions that addressed topics such as forage fertility, cattle market outlook, strategic alliances in the beef industry, grazing alfalfa, farm family transfer and farm relationships on how to run a business with your family. During the year, other district meetings were held throughout the region and addressed topics such as backgrounding nutrition, marketing, animal health, silage production, mineral nutrition, feed processing, fly control, bull evaluation and selection, and cow-calf management.

The Gunton Bull Test Station, in conjunction with the Interlake Livestock and Forage Improvement Association (ILFIA) operated a livestock evaluation centre. It conducted tests on over 270 bulls, which included fall born bulls and two-year-olds. The Station hosted numerous extension events including a low stress cattle-handling workshop. The centre held several educational events for 4-H beef and dairy clubs in the region. The station also has several projects underway in conjunction with Agriculture and Agri-Food Canada, the University of Manitoba and Manitoba Agriculture and Food. The centre is involved in a cow/calf operation that studies different management and production models. A herd of 100 cows was purchased by ILFIA through a Manitoba Agricultural Credit Corporation (MACC) loan.

Dairy Extension

Dairy extension activities included 461 general and 157 in-depth consultations. The region's two dairy clubs, comprised of 450 dairy producers, continued their activities. Staff organized regional and district dairy seminars, tours and clinics that included topics such as milking management, udder health, estate planning, nutrition, facility expansion and improved efficiencies in dairy operations. Staff are involved in two of the four largest regional seminars in the Province that has an attendance of about 200 producers.

Agricultural Engineering Extension

Agricultural engineering extension included 619 general and 433 in-depth consultations. Engineering activities covered beef, dairy, swine, poultry, and PMU, with an emphasis in addressing beef facilities regarding environment modification or corrections, design layouts for strawbase loose housing of finishing pigs, and work on a preliminary monitoring program for hoop structure barns. Other activities included comparison of manure fertilizer application methods on forages, drainage design, construction and demonstration at the Gunton Bull Testing Station, and the preliminary design of the Ashern Veterinary Clinic. The large increase of livestock production in the region had a substantial effect on the number of technical reports prepared.

Swine Extension

The expansion of the swine industry came under heightened public scrutiny this year. The Livestock Stewardship Report added important comments and perspectives to the expansion movement.

The extension program included two Quality Assurance meetings and 17 district swine meetings. Four farm tours were held to demonstrate various aspects of pig production.

Staff were involved in 899 general and 454 detailed discussions relating to pig production. Staff provided information on ration formulation, breeding management, business structure and opportunities, manure management, and engineering aspects of pig production. Regional and district staff provided assistance and input to several provincial level initiatives.

4-H and Youth

Regional staff supported an active 4-H program, which involved 1,103 members and 427 4-H leaders participating in 58 4-H clubs. The focus of the region's program was to provide training and opportunities in communication, leadership, and skill development.

In conjunction with the Regional 4-H Councils several regional activities occurred, such as: training events, a senior conference, three intermediate conferences, one regional junior member activity, two regional communications events, two horse shows, a regional beef day and bursary awards.

In co-operation with staff, 11 district councils organized rallies, fun days, 10 district leader appreciation nights, achievement awards, as well as other events.

During the year, staff made 13,471 general contacts and 607 in-depth contacts with 4-H clients. Clients use the 4-H program to improve their leadership, communication, production and life skills.

Home Economics and Human Resource Management

Family Connections, in its 26th year of publication, was written and edited by regional Home Economists on topics related to Manitoba's agriculture and agri-food industry. The magazine, published quarterly, has a circulation of over 3,000 farm and rural families. Selected articles are posted on the Manitoba Agriculture and Food website. Over 7,000 visits were made to the website. Other communication activities included writing news articles for local newspapers, radio spots and office newsletters.

Regional Home Economists jointly organized and promoted three microbusiness tours including a Bed and Breakfast Tour in the South Interlake which attracted 34 participants, a Rural Craft Tour which attracted 20 participants, and a Native Plant Tour in the Hadashville area which involved 42 participants.

Home Economists worked with local economic development boards, rural municipalities, farm families, and rural entrepreneurs to develop the South East Tourism Network (fourth edition), Red River Tourism Network and East Central Tourism Network (second edition) brochures.

Home Economists, in conjunction with Central Region staff, organized and staffed one mall display in Winnipeg. The display was designed to increase the awareness of the agriculture and agri-food industry among urban consumers. More than 1,300 individuals visited the display, "Where's Agriculture", in the St. Vital Mall in October. Home Economists also staffed displays at the Red River Exhibition and the Farm and Food Days to promote agriculture awareness to the urban/rural consumer.

Leadership skill development activities included working with 4-H, agricultural societies, Women's Institute and strategic alliances, as well as farm safety and wellness days throughout the region. Provincial activities included work with the Direct Farm Marketing Conference, Manitoba Farm Women's Conference, Agriculture: Producers Making it Happen Conference and Canadian Home Economics Association National Conference.

Regional Home Economists were involved in 9,129 general contacts and 2,218 in-depth consultations.

Value-Added and Diversification

Staff provided advice and technical information to producers and rural entrepreneurs on a variety of value-added and diversification ventures. Information included business development, marketing, financing, production technology, and the economics of value-added and diversified agricultural products. There were 3,130 general contacts and 942 in-depth contacts for value-added and diversification.

Consultations, seminar presentations and tours were held involving areas such as sea buckthorn, hemp, Christmas trees, woodlots (hybrid poplar), herbs, and spices, flax as a nutraceutical, oriental vegetables, pastured poultry, agri-tourism, bed and breakfasts, rural craft businesses, organic production, pesticide-free production, greenhouses, market gardens, U-pick fruit and vegetables, food processing, food service, mushrooms, consumer trends, marketing, and venture investing.

Consultations included the use of the Kitchen to Market kit (Blue Box) by food processors in the developmental stages. The new food products included saskatoon syrup for export markets.

New business starts included several bed and breakfasts, teahouses, custom millwork, market gardens, greenhouses, www.erosioncontrolblanket.com (using hemp fibre), and pastured poultry.

Agricultural Crown Lands

Four Land Representatives monitored and administered 541,037 acres of agricultural Crown land, representing 985 Forage leaseholders. In addition, 40 cropping leases, 24 casual hay/grazing permits, and 242 renewable hay/grazing permits were issued.

Staff initiated two projects with leasees to demonstrate the integration of range management principles into their ranching practices.

5 (d) Eastern/Interlake Region

Expenditures by Sub-Appropriation	Actual 2000/2001 $ (000's)	Estimate 2000/2001 FTE	Estimate 2000/2001 $ (000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	3,275.2	67.46	3,329.4	(54.2)	
(2) Other Expenditures	1,178.1		1,273.6	(95.5)	
TOTAL EXPENDITURES	4,453.3	67.46	4,603.0	(149.7)	

Agricultural Crown Lands (5e)

The primary objective of the Agricultural Crown Lands Branch is to make Crown land available for agricultural production, and along with extension colleagues, improve the productivity of these lands through improved management techniques.

The Branch represents the agricultural viewpoint in the Provincial Government's assessment of Crown land for multi-resource use. Staff participate actively on the Bloc Planning Committee and the Crown Land Classification Committee to ensure that suitable lands are classified for agricultural use.

During 2000/2001, the Branch provided administration and management of 2.4 million acres of Crown land with 2,312 long-term forage leases involving 1,546,316 acres, and 78 cropping leases, involving 11,076 acres. The remaining lands are offered for permit on a yearly basis.

Crown Lands staff provides a liaison with Prairie Farm Rehabilitation Administration and the pasture program that operates primarily on Provincial Crown land. During the 2000 summer grazing season, approximately 50,710 head of cattle and 3,162 horses used 24 community pastures.

5 (e) Agricultural Crown Lands

Expenditures by Sub-Appropriation	Actual 2000/2001 $ (000's)	Estimate 2000/2001 FTE	Estimate 2000/2001 $ (000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	648.6	15.00	622.1	26.5	
(2) Other Expenditures	327.7		287.9	39.8	
TOTAL EXPENDITURES	976.3	15.00	910.0	66.3	

Policy and Economics (6)

The Policy and Economics Division coordinates long-term policy and program development for Manitoba Agriculture and Food. This Division conducts analysis and provides agricultural statistics, marketing and production information to the general public and staff. Policy and Economics provides funding for the administration of various boards and commissions and to the University of Manitoba in support of agricultural research.

Economics (6a)

The primary objectives of the Economics Branch are: to provide analysis/evaluation and management support documents towards enhancing the economy and effectiveness of the Department's programs and activities; to provide central budget/estimates support through the preparation of narratives through all major phases of the Department's Estimates process; to provide coordination of long term policy and program development within the Department; and to provide agricultural statistical, marketing and production information to farmers, the agriculture and agri-food industry and staff.

Program Analysis Section

During 2000/2001, the Program Analysis Section prepared and coordinated program narratives for the Department's preliminary and final Estimates document, *the Supplementary Information for Legislative Review* publication and other explanatory documents in support of Manitoba Agriculture and Food's proposed budget. Also, staff coordinated and edited the *Estimates Debate Book* in conjunction with the Financial Administration Unit of the Department.

The Program Analysis Section coordinated and edited an updated version of the *Programs and Services for Agriculture and Food* profiles found on the Department's Home Page. These profiles are designed to inform readers of available client services provided by the Department. In addition, the Section also coordinated the annual updating of other various documents.

Program Analysis provided program information to central and external agencies. The Section coordinated the completion of several surveys, including compilation of data on the Department's research and scientific activities. As well, the Section provided the Department with leadership, central coordination, and editing in the creation of its new vision document, entitled *Destination 2010*. Along with Boards and Commissions Support Services, the Section provided central support and advisory assistance to the Department executive, management, and staff in the development of its business plan program profiles submitted to Treasury Board.

The Branch was involved on the Home Page Management Committee that provided leadership in co-ordinating information on the Department's Home Page. The Department's Home Page is located on the World Wide Web, where producers, agribusiness, and Manitoba Agriculture and Food staff obtain timely information concerning crop production, livestock production and current climate conditions. The Home Page also serves as a tool, to inform the general public about Manitoba's diverse, safe and nutritious products. Staff maintain over 8,000 files online, and the site receives over 200,000 hits per month.

Policy Analysis Section

During 2000/2001, the Policy Analysis Section participated in agricultural policy review processes such as safety net development, international and internal trade, transportation, grain marketing,

environment and adaptation and adjustment initiatives representing Manitoba. Staff participated in regional and provincial meetings to update producers and staff on agricultural policy issues.

Staff participated in a federal-provincial process to revise the Framework Agreements that guide the development and management of safety nets in Canada. As well, staff was involved in the development of the Canadian Farm Income Program (CFIP), the replacement for the Agricultural Income Disaster Assistance (AIDA) program. Staff assisted in the implementation of the Canada-Manitoba Adjustment Program (CMAP) which provided adjustment assistance to grain and oilseed producers facing increased freight costs in a time of low commodity prices.

The Section participated in the continued development of the Agri-Food Research and Development Initiative (ARDI) from an operational perspective. Staff also provided the secretariat and some research proposal review services for the ARDI Council.

Staff participated in the review of the federal grain handling and transportation reforms and provided input along with Manitoba Highways and Government Services to the *Canada Transportation Act (CTA)* Review process.

The Section provided input for bilateral trade negotiations with the United States (US) on issues such as dairy, cattle and grain and with the European Union (EU) on issues such as the hormone ban in cattle. Staff worked on developing the second annual Northern Plains Producers Conference to be held in Winnipeg, which aims at developing a better understanding between producers of their commonalties and on trade issues in Canada and the US. Staff continued joint development on a strategy with stakeholders for the next round of World Trade Organization (WTO), and provided input on Sanitary/Phytosanitary (SPS), and genetically modified organisms (GMOs) issues. Staff represented Manitoba in the Federal-Provincial Agricultural Trade Policy Committee (FPATPC).

Staff analyzed several farm taxation issues; i.e. provincial sales tax on farm resources and inputs, property taxation on farm land and buildings and federal taxation on farm fuels.

Staff assisted in the further development of New Generation Co-operatives in order to serve as a model for value-added agricultural activities. Also, staff further developed and implemented the Motivation, Morale and Recognition Strategy for Manitoba Agriculture and Food, which included a formal recognition program plan.

Market Analysis & Statistics Section

The Market Analysis and Statistics Section assisted Statistics Canada with data preparation and advised Statistics Canada staff on selected Manitoba agricultural statistics. The section published the annual *Manitoba Agricultural Review* and the annual *Manitoba Agriculture Yearbook*. Statistical releases were prepared on items such as farm cash receipts, net farm income, farm finance and bankruptcies, crop production estimates and trade data. Other publications prepared by staff included *Manitoba Agricultural Statistics*, *Manitoba Livestock Industry Profiles*, *Manitoba Poultry Industry Profiles*, *Manitoba Grains* and *Oilseeds Industry Profiles*, *Manitoba Specialty* and *Forage Crops Industry Profiles* and *Manitoba Potatoes* and other *Vegetables Industry Profiles*.

A large portion of staff time involved assisting producers and other members of the agri-food industry with requests for agricultural statistical and marketing data and forecasts.

The Market Analysis and Statistics Section prepared and published the *Manitoba Markets Weekly Report* which summarizes crop and livestock market conditions. An annual market outlook report was released in early January, with public presentations on this material being made at Ag Days

in Brandon. Staff also participated in regional meetings to update farmers and staff on current market conditions and prospects.

Staff participated in the assessment of appropriate crop prices for use in various programs such as those administered by the Manitoba Crop Insurance Corporation (MCIC), Agricultural Income Disaster Assistance (AIDA) and the Manitoba Agricultural Credit Corporation (MACC).

6 (a) Economics

Expenditures by Sub-Appropriation	Actual 2000/2001 $ (000's)	Estimate 2000/2001 FTE	Estimate 2000/2001 $ (000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	1,071.7	19.00	1,126.8	(55.1)	
(2) Other Expenditures	362.8		406.7	(43.9)	
TOTAL EXPENDITURES	1,434.5	19.00	1,533.5	(99.0)	

Boards and Commissions Support Services (6b)

This Branch includes the following council, agency, boards and commission:

- Manitoba Natural Products Marketing Council,
- Manitoba Milk Prices Review Commission,
- Manitoba Farm Machinery Board,
- Agricultural Producers' Organization Certification Agency,
- Manitoba Farm Practices Protection Board
- Manitoba Farm Mediation Board, and
- Manitoba Farm Lands Ownership Board

Manitoba Natural Products Marketing Council

The objective of the Manitoba Natural Products Marketing Council is to provide effective administration of *The Natural Products Marketing Act*. The Council is responsible for supervising the operations of various producer boards and marketing commission. It serves as an appeal body for individuals affected by the decisions of these boards and commission.

Staff supports the work of the Council members by providing required background documentation and analysis for meetings and appeals. They review regulatory proposals and amendments as well as national marketing issues. Council staff also advises the Department Executive on marketing policy issues and respond to public and producer inquiries. They maintain regular contact with management staff of the boards and commission, other provincial supervisory councils and the National Farm Products Council.

In 2000/2001, the Council supervised the following producer boards and marketing commission:

- Manitoba Broiler Hatching Egg Commission,
- Manitoba Chicken Producers
- Manitoba Egg Producers,
- Manitoba Pork Council,
- Manitoba Beekeepers' Association,
- Manitoba Milk Producers,
- Manitoba Turkey Producers, and
- Peak of the Market

The Council convened eight meetings at which four appeals were heard and presentations were made by five delegations. The Council's principle activities were focussed on: drafting a revised Act; the allocation of industrial eggs ("Grow For") to meet the demand of the processing sector; collection of weanling levy from hog producers; exemptions for export milk; licensing of hatcheries; and potato marketing inspections.

Manitoba Broiler Hatching Egg Commission

The principle issue facing the broiler hatching egg industry was the refusal or failure by certain hatcheries to apply for a license to the Manitoba Broiler Hatching Egg Commission under the Producer Registration and Hatchery Licensing Regulation, which came into effect December 31, 1999. The Commission had incorporated requirements into the Regulation for hatcheries to have binding contracts with producers. This was incorporated so that the producers are not prevented

from fulfilling their production quotas, as has been the situation with some hatcheries in the past. To date, five of seven hatcheries and 29 of 30 producers have registered with the Commission.

In response to an industry request, an independent third party was requested to identify the issues and to make recommendations as to resolving the concerns. The Report is pending.

Manitoba Chicken Producers

The Board proposed a number of regulatory amendments and one amendment to *The Natural Products Marketing Act.* The following amendments remain under consideration:

I. Amendment to eliminate the 10 percent "Transfer Assessment Fee" on the Quota Retirement System.
II. Amend the provincial requirement from one-third to 10 percent Basic Allotment of quota that must be given to new entrants.
III. Request to amend *The Natural Products Marketing Act* to provide for production controls.

Manitoba Chicken Producers adopted the "Special Market Development and Servicing Policy", effective January 15, 2001. The policy is intended to allow the Board to deal with unique or specialized markets when registered producers are not in the best position to supply such markets. These exemptions will require written agreement between the Board and the producer, detailing the terms and conditions under which chicken broilers will be produced, processed and marketed.

In 1998, the national poultry agencies were directed by the Ministers/Deputies to revise the Federal-Provincial Agreements to provide the agencies with greater flexibility in adjusting their marketing systems upon changing market conditions. The Chicken Farmers of Canada is the first agency to complete the process and the proposed Agreement is under consideration by the three Manitoba Signatories.

Manitoba Egg Producers

As a result of the complaint filed by the Manitoba Signatories with the National Farm Products Council, a Quota Allocation Committee was established by the Canadian Egg Marketing Agency (CEMA). The following Quota Allocation Committee's recommendations were accepted by the Manitoba Signatories:

a) For table market growth:

- Table egg disappearance will be used to determine any changes needed to the quota allocation.
- Canadian table egg disappearance will be calculated as a three-year rolling average with the initial period being 1997-1999.
- If the rolling average indicated a change of less than 100,000 layers, no change would be made to the quota allocation.
- Production equal to table disappearance plus 30 percent would be eligible to receive Cost of Production.
- If an increase in quota were triggered, 50 percent would be allocated to provinces where the ratio of hens to population is less than the national average; the remaining 50 percent would go to all provinces pro-rata using the most current market shares.
- If a quota decrease were required, it would be pro-rata.

b) For processor market growth:

- CEMA will operate an "eggs for processing" program which will enable provincial Boards to contract with processors to supply eggs needed in excess of CEMA's industrial product program.

CEMA has indicated that the policy provides benefits in being able to meet future processor market growth without straining the current levy system. The policy also enables all provinces to participate in future table market growth.

Manitoba Milk Producers

Manitoba Milk Producers marketed 293.2 million litres of milk during 1999/2000 as compared to 287.3 million litres in 1998/1999. This represents an increase of 5.9 million litres, or 2.06 percent. Total butterfat production increased by 2.44 percent, from 10,889,584 kgs to 11,155,647 kgs. The butterfat content increased slightly from 3.79079 kg/hL to 3.80517 kg/hL, representing an increase in the butterfat test of 0.01438 kg/hL or 0.38 percent.

Manitoba Milk Producers participated in an all market and all revenue sharing agreement with Saskatchewan, Alberta and British Columbia. During the 1999/2000 dairy year, the Coordinating Committee met four times to discuss and set policy with respect to the Western Milk Pool. The Technical Committee met a total of three times to review the policies proposed by the Coordinating Committee and recommend action on any technical matters.

The Coordinating Committee has worked on such issues as: inter-provincial milk movement, cost sharing, end use Multi-Component Pricing (MCP) conversion, price harmonization, pooling revenues on a multi-component basis and automatic quota adjustments.

As a result of the World Trade Organization ruling on the export of Canadian dairy products, the Manitoba Milk Producers is no longer involved in exports of milk and dairy products, pricing and volume determination. An agreement was reached with the industry whereby all contracts are offered to Manitoba producers on an export contract exchange operated by third party administrators. Manitoba Milk Producers' involvement is limited to transportation and milk quality.

Manitoba Pork Council

Manitoba Pork Council continued to focus primarily on research activities involving manure management, hog production, environmental practices, quality assurance, and animal welfare. Additional activities involved industry training, market development, promotion, and consumer awareness.

The Hog Administration Levy remained at $0.85 per hog and $0.20 per exported weanling. Amendments to the Plan were approved that extended the current Plan to December 31, 2002 and added authority to regulate transportation of hogs.

Manitoba Turkey Producers

Manitoba Turkey Producers submitted a legislative request for production control authority, similar to the request from the chicken industry. The marketing of turkeys by an unregistered producer was investigated by the Board's Inspector and charges are being considered.

The Board continued to administer the winter tom and hen programs, various marketing programs, as well as the multiplier breeder growth program.

Peak of the Market

Peak of the Market continued its strong sales growth in table potatoes, root crops, and summer crops.

Peak of the Market investigated the marketing of potatoes other than to or through the Board. Several requests by Peak of the Market to unregistered producers to provide marketing information have gone unheeded. As a result of the investigation, an Inspector appointed under *The Natural Products Marketing Act* was requested to further investigate the marketing of the potatoes by unregistered producers. The Inspector's report is pending.

Manitoba Beekeepers' Association

A minor Plan amendment that changed the fiscal year was approved.

Manitoba Milk Prices Review Commission

The Manitoba Milk Prices Review Commission was established under *The Milk Prices Review Act,* 1980. Its mandate is to set a producer price for fluid milk and to monitor and control wholesale and retail milk prices as required. For the period April 1, 2000 to March 31, 2001, the Commission had three meetings and three conference calls.

The Commission met with Manitoba Milk Producers twice during this period to determine if new producer, wholesale and retail prices for fluid milk were required. The September 2000 Manitoba Dairy Farm Cost of Production (COP) Summary showed a price increase of $1.93Hl for the producer, increasing the producer price for fluid milk from $61.84Hl to $63.77Hl. The Commission recommended that the fluid milk price at the producer level be changed to $63.77Hl and that the maximum wholesale price and the maximum retail price for homogenized milk, 2%, 1% and skim milk be increased by $0.03/litre for fluid milk sold in 1 litre containers. This change was effective October 10, 2000.

The March 2001 Manitoba Dairy Farm COP Summary showed a price increase of $1.06Hl for the producer, increasing the producer price for fluid milk from $63.77Hl to $64.83Hl. The Commission recommended that effective April 1, 2001 that the fluid milk price at the producer level be changed to $64.84Hl and that the maximum wholesale price and the maximum retail price for homogenized and 2% milk be increased by $0.02/litre. The maximum wholesale price and the maximum retail price for 1% and skim milk was increased by $0.01/litre for fluid milk sold in 1 litre containers.

In setting the producer price equal to the cost of production, the Commission established a fluid butterfat payment/deduction to producers for milk with a butterfat content above/below the 1989/90 dairy-year average level (3.7034 kg of butterfat/Hl of raw milk). This adjustment continued to be valued at $5.3000/kg of butterfat.

Manitoba Farm Machinery Board

The Farm Machinery Board administers *The Manitoba Farm Machinery and Equipment Act,* involving the Board with all segments of the farm implement industry: producers, dealers, distributors and manufacturers. In 2000/2001, five board meetings and two conference calls were held. On October 1, 2000 amendments to *The Farm Machinery and Equipment Act* were

proclaimed. The amendments eliminate the practice of "dealer purity" by allowing farm implement dealers to carry competing equipment lines and prohibiting a manufacturer from terminating a dealer's agreement without cause and in most cases without a court order.

The Farm Machinery and Equipment Act requires lenders financing farm machinery by means of a lien note security document, to apply to the Board for leave to repossess when an account falls under arrears and before repossession can occur. Manitoba is the only jurisdiction in Canada requiring a quasi-judicial body's judgement before farm machinery repossession can occur.

In 2000/2001, the Board received and processed 82 applications for leave to repossess, a decrease of 34 (29 percent) over the same period in 1999/2000. The Board licensed 176 dealers and 103 vendors.

Agricultural Producers' Organization Certification Agency

The Agricultural Producers' Organization Funding Act requires that the Agency certify one general farm policy organization and provide a funding mechanism for designated commodity organizations.

In 2000/2001, the Agency convened two meetings and one conference call.

The Agency conducts annual meetings with the designated commodity associations to review their activities from the past year and to be informed about their anticipated projects for the upcoming year. In 2000/2001 the Agency met with the Manitoba Canola Growers Association, Manitoba Forage Seed Association, Manitoba Pulse Growers Association and the Manitoba Corn Growers Association.

The Agency approved a two-year extension of the Agricultural Producers' Organization Funding (Agency) Regulation that certified Keystone Agricultural Producers to December 31, 2002.

The Agency recommended to the Minister of Agriculture and Food that the Manitoba Buckwheat Growers Association Inc. be designated as the representative of all producers of buckwheat in Manitoba, which became effective December 11, 2000.

The Agency accepted the revised petition of the Manitoba Flax Growers Association, and a referendum amongst the flax producers is under consideration.

Representatives from the Manitoba Pulse Growers Association, Keystone Agricultural Producers and the Manitoba Corn Growers Association met with the Agency and requested the enforcement of Regulations that requires purchasers to remit check-off levies. The representatives indicated that certain purchasers were not remitting the various check-off levies. The Agency will continue to work with the purchasers to ensure the check-off levies are being collected.

Manitoba Farm Practices Protection Board

The Farm Practices Protection Act establishes a process for reviewing and mediating disputes arising from practices of legally established agricultural operations. The Act aims to protect agricultural operations that are conducting their activities in a normal manner, as well as to bring about changes in practices that are unacceptably disturbing neighbors.

During 2000/2001, the Board received 14 complaints and convened seven meetings. Eleven complaints were heard, of which eight related to odour disturbances and three related to smoke disturbances. The Board upheld eight complaints and ordered the agricultural operations to

modify their farm practices to be consistent with normal farm practices. Two complaints were dismissed, and one complaint was withdrawn. Three complaints remain pending. Revisions to the Farm Practices Guidelines for Dairy and Beef are continuing.

Manitoba Farm Mediation Board

The Manitoba Farm Mediation Board conducts the program delivery activities of *The Family Farm Protection Act*. The Board assists farmers in improving and sustaining their farming operations under difficult economic conditions through mediation with their creditors, financial counselling, and loan payment guarantees.

During 2000/2001, the Board received 150 applications from both farmers and lenders for assistance in resolving financial difficulties. These resulted in 137 new mediation cases. There were 78 cases in progress from the previous year, for a total of 215 cases for mediation. Of this total, 143 cases were completed during the year, 100 of which required a formal mediation process. Of those completed, 83 resulted in an agreement, representing a success rate of 83 percent.

The Board administers the Special Farm Assistance Fund. The Fund was established to help producers obtain an arrangement involving continued credit facilities or a leaseback of property conveyed to creditors. Three types of guarantees were offered in 2000/2001, namely loan payment guarantees, lease payment guarantees, and security value guarantees. Emergency operating assistance may also be provided in urgent situations. In order to qualify for a guarantee, the operation must demonstrate viability and the producer, the lender and the Board must agree to a farm financial plan.

In 2000/2001, the Board approved guarantees for 10 new farm clients, with a total liability of $344,376 over a maximum four-year period. There were 57 farmers who had guarantees during the year, with a total potential liability of $726,953. The actual amount paid was $72,509, or 10 percent of the liability. The fund is provided by Manitoba Agriculture and Food, through the Manitoba Agricultural Credit Corporation.

The Board held seven meetings to review activities and policy issues and to consider guarantee requests.

Farm Lands Ownership Board

The Farm Lands Ownership Board considers applications for exemption under the *Farm Lands Ownership Act*, from non-Canadians and public organizations who wish to acquire an interest in farm land in Manitoba. The objective of the Act is to ensure that farmland resources are preserved for existing and future generations of Canadians.

The Act allows unrestricted ownership by all Canadian citizens and permanent residents, strictly Canadian owned organizations, and qualified immigrants. Individuals or corporations not qualifying for unrestricted ownership are limited to 40 acres of farmland unless they receive an exemption from the Board.

In 2000/2001, the Board received 30 applications for exemption, 16 of which involved non-Canadian individuals and corporations. The other 14 involved Canadian-based corporations and other organizations with some non-Canadian interests. There was one application still under consideration from the previous year. Of the 31 applications that were considered, 29 were

approved and the other two were declined. In 22 of the cases (71 percent), the Board's decision was made within 30 days of receiving the application.

The Board met seven times in 2000/2001 to consider applications for exemption and to review policy issues.

6 (b) Boards and Commissions Support Services

Expenditures by Sub-Appropriation	Actual 2000/2001 $ (000's)	Estimate 2000/2001 FTE	Estimate 2000/2001 $ (000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	411.4	7.19	393.4	18.0	
(2) Other Expenditures	591.2		637.5	(46.3)	
TOTAL EXPENDITURES	1,002.6	7.19	1,030.9	(28.3)	

Agriculture Research and Development (7)

Agri-Food Research and Development Initiative (7a)

The objective of the Agri-Food Research and Development Initiative (ARDI) is to provide funding for research and development which will enable the successful and progressive growth and adaptation of Manitoba's agriculture and agri-food industry within the changing global marketing environment.

The Province of Manitoba contributed $1.0 million to ARDI in 2000/2001 for a total Federal/Provincial contribution to agricultural research and development of $22.5 million since the establishment of the program in 1998. ARDI has the objective to provide, on average, 50 percent of total funding for research and development projects, with matching dollars contributed by industry. This will translate into new investments in research and development totalling $45.0 million in Manitoba.

ARDI provides project-by-project financial support to commodity groups, individuals, industry and institutions based upon expected potential for return on investment dollars. This program focuses on value-added processing, enhanced production and exporting of higher value products.

There are three major partners involved in the management of the ARDI program. The ARDI Program Council is responsible for developing ARDI program objectives, policies and project assessment criteria. The Council also prioritizes ARDI funding and approves eligible project proposals. The ARDI Program Council is an independent committee with representatives from the agriculture and agri-food sector, along with federal and provincial non-voting members.

The Manitoba Association of Agricultural Societies (MAAS) carries out the day-to-day administration of ARDI. MAAS accepts and coordinates funding proposals and administers the disbursement of funds. Manitoba Agriculture and Food Program Advisors provide advisory assistance to MAAS and the ARDI Program Council, by facilitating assessments of eligible project proposals on behalf of the Council.

In 2000/2001, ARDI helped to fund many diverse projects in the following eligible categories:

- commodities that are well-established and present additional growth or development opportunities;
- commodities that are new or alternative and present opportunities for development in Manitoba;
- innovative development of machinery or equipment for production or processing enhancement;
- biotechnology;
- sustainability of the resource base and the environment; and
- other innovative proposals.

7 (a) Agri-Food Research and Development Initiative

Expenditures by Sub-Appropriation	Actual 2000/2001 $ (000's)	Estimate 2000/2001 FTE	Estimate 2000/2001 $ (000's)	Variance Over / (Under)	Expl. No.
-Grants/Transfer Payments	1,000.0		1,000.0	-	
TOTAL EXPENDITURES	1,000.0		1,000.0	-	

Agricultural Sustainability Initiative – Covering New Ground (7b)

Covering New Ground funds activities in three specific areas: sustainable crop management; sustainable forage/livestock management; and integrated pest management, with a goal of developing on-farm management activities to address environmental challenges. Delivery of programming occurs through: local producer groups on a four-region basis; provincial based commodity and agricultural organizations; and two regional crop diversification centres – the Parkland Crop Diversification Foundation and the Souris Valley Irrigation Centre.

In 2000/2001 the four regions delivered programming totaling approximately $560,000.

The Southwest Region, through 13 local delivery groups, undertook 23 projects. The three priority areas for the Southwest Region were: Crop Production; Livestock Production; and Forage Production. The three measurements that will be gathered for these priority areas include an increase in the amount of spring residue cover by remote sensing data, the percentage of soil and water samples that exceed acceptable level of nitrate nitrogen and the increase in the number of acres under forage production in the region.

Nine local groups delivered 60 projects in the Northwest Region. The three priority areas for the Northwest Region were: Pasture/Forages and the Environment; Agriculture and Environmental Water Quality Issues; and Annual Crop Production and the Environment. The three measurements that will be gathered for these priority areas include a five percent increase in acres of erodible land in pasture to assess the risk of water erosion, a 10 percent decrease in total cattle density along waterways as an indicator of risk of phosphate contamination from livestock and streambank erosion, and a five percent increase in spring residue cover in 40 percent of the acres in the region.

Twelve local delivery groups undertook approximately 41 Central Region projects. The three priority areas for the Central Region were: Appropriate Land Use and Promotions of Best Management Practices; Water Quality and Quantity; and Input Management. The three measurements that will be gathered for these priority areas include an increase in appropriate land use by comparison of land use mapping, maintaining quality of water samples throughout the region by monitoring the number of tests that exceed guidelines and a regional soil test snapshot to determine excess nutrient status.

The Eastern/Interlake Region, through 21 local delivery groups, undertook and co-ordinated 79 projects. The three priority areas for the Eastern/Interlake Region were: Forage and Forage Seed Production; Livestock Production; and Crop Production. The three measurements that will be gathered for these priority areas include measuring the increase in marginal land acreage that is in economically productive forage production, an assessment that the excellent quality of the region's ground waters are not compromised by livestock production, and to monitor soil management practices to ensure that the inherent natural productivity of the region's soils is being maintained or improved.

Twenty-five provincial organizations, with the support of Manitoba Agriculture and Food staff, carried out a wide range of activities funded at $320,000. The three priority areas for the Provincial Group were: Fertilizer and Manure Impacts on Soil and Landscapes; Erosion on Sensitive Soils and Landscapes; and Agriculture Pest Management Strategies. The three measurements that will be gathered for these priority areas include the percentage of fields that exceed an acceptable level of nitrogen, an assessment of the number of fields under erosion prevention cover and an assessment of the use of pest forecasting.

The two regional crop diversification centres in Melita and Roblin conducted 51 different trials dealing with crop diversification opportunities, including irrigated crop production. Funding for the two centres was approximately $150,000.

Communication of activities occurred through newsletters, radio interviews, news releases and articles, seminars, workshops, field days, fact sheets, guides, reports and other extension materials.

7 (b) Agricultural Sustainability Initiative

Expenditures by Sub-Appropriation	Actual 2000/2001 $ (000's)	Estimate 2000/2001 FTE	Estimate 2000/2001 $ (000's)	Variance Over / (Under)	Expl. No.
Other Expenditures	1,032.2		1,200.0	(167.8)	
TOTAL EXPENDITURES	1,032.2		1,200.0	(167.8)	

Grant to University of Manitoba (7c)

The objective of the University of Manitoba grant is to support Faculty of Agricultural & Food Sciences research, with projects primarily aimed at enhancing the productivity and growth of Manitoba's agriculture and food sector. The grant financially assists the Glenlea Research Station and research projects conducted by the Faculty.

Manitoba Agriculture and Food funding represents a significant proportion of total government and corporate contributions for research activities of the Faculty. Various departments within the Faculty received grant monies to assist in their research activities. The Department's grant is important in supporting the Faculty's research aimed at diversifying and sustaining Manitoba's agriculture and food industry.

The Department's grant is a valuable resource to the Faculty in assisting it to attract additional outside funding for agricultural research. More specifically, the Department grant serves as a valuable leverage factor in attracting additional resource commitments from other organizations.

7 (c) Grant to the University of Manitoba

Expenditures by Sub-Appropriation	Actual 2000/2001 $ (000's)	Estimate 2000/2001 FTE	Estimate 2000/2001 $ (000's)	Variance Over / (Under)	Expl. No.
-Grants/Transfer Payments	768.3		768.3	-	
TOTAL EXPENDITURES	768.3		768.3	-	

Grant to the Prairie Agricultural Machinery Institute (7d)

The Department provides financial support to the Prairie Agricultural Machinery Institute (PAMI) for conducting agricultural research, development and testing of farm equipment and technology aimed at enhancing the productivity and income of Manitoba's agricultural producers. PAMI operates out of Portage la Prairie, Manitoba and Humboldt, Saskatchewan. It is financially supported through an agreement between the Province of Manitoba and the Province of Saskatchewan.

In addition to the annual grant of $332,500, the department contributed an additional $225,000 to PAMI in 2000/2001. These funds were used to upgrade the buildings and facilities at the Portage la Prairie operation as well as to enhance the organization's management information system.

PAMI applies technology as a tool for economic development through client-driven activities. These activities support the province's priorities for international competition, diversification and value-added processing, livestock production, risk management, environment production, environment protection and crop & farm safety.

Through its practical research and development, PAMI plays an important role in technology transfer to assist producers and the industry to improve their operations.

7 (d) Grant to the Prairie Agricultural Machinery Institute

Expenditures by Sub-Appropriation	Actual 2000/2001 $ (000's)	Estimate 2000/2001 FTE	Estimate 2000/2001 $ (000's)	Variance Over / (Under)	Expl. No.
-Grants/Transfer Payments	557.5		557.5	-	
TOTAL EXPENDITURES	557.5		557.5	-	

Agriculture Disaster Aid Programming (8)

Agriculture Income Disaster Assistance (8a)

The Agricultural Income Disaster Assistance (AIDA) program is a safety net that helps farmers during period of significant income declines. AIDA assistance is provided when a farmer's income (gross margin) drops below 70 percent of their historical average. The AIDA program covers farmers' 1998 and 1999 tax years.

The province pays 40 percent of the administration costs and 40 percent of the payments for all program elements with the exception of negative margins. The federal government covers the remaining costs. The Manitoba government's contribution to AIDA for both years of support is recorded in the 1999-2000 fiscal year.

For the 1998 tax year, 3,063 farmers in Manitoba received an AIDA payment. Total payments were $62 million (averaging $20,240 per farmer) of which the Manitoba Government's share is $21.8 million.

For the 1999 tax year, 5,414 farmers in Manitoba have received an AIDA payment. Total payments were $120 million (averaging $22,160 per farmer) of which the Manitoba Government's share is $40.9 million.

Disaster Aid Programming (8b)

The Canadian Farm Income Program (CFIP) replaced the Agricultural Income Disaster Assistance (AIDA) program as the safety net that helps farmers during periods of significant income declines. Like AIDA, CFIP assistance is provided when a farmer's income (gross margin) drops below 70 percent of his or her historical average. The CFIP agreement provides coverage for a farmer's 2000 to 2002 tax years.

The Province of Manitoba pays 40 percent of the administration costs and 40 percent of the payments to farmers. The federal government covers the remaining costs.

The Manitoba Government's contribution to CFIP for the farmer's 2000 tax year is recorded in the 2000/2001 fiscal year. For the 2000 tax year, farmers can apply for CFIP assistance until October 1, 2001. Payment levels will not be available until processing of the applications is completed.

8(b) Disaster Aid Programming

Expenditures by Sub-Appropriation	Actual 2000/2001 $ (000's)	Estimate 2000/2001 FTE	Estimate 2000/2001 $ (000's)	Variance Over / (Under)	Expl. No.
-Grants/Transfer Payments	30,400.0		16,200.0	14,200.0	1
TOTAL EXPENDITURES	30,400.0		16,200.0	14,200.0	

1. *The variance over authority in this income-based program was due to lower than anticipated farm incomes resulting from the decline in crop prices.*

Canada – Manitoba Adjustment Program 2 (8c)

The objective of the Canada-Manitoba Adjustment Program 2 (CMAP2) is to help Manitoba farmers by lessening the impact of the farm income crisis in the grains, oilseed and specialty crop sectors. The producers in these sectors are faced with making adjustments to compete in the global market with international competitors that receive significantly higher support.

CMAP2 provides $92 million of assistance, which is shared by the Government of Canada and the Province of Manitoba on the basis of 60:40, federal: provincial. The funds are distributed to farmers based on a percentage of their historic qualifying grain sales. In addition, a separate component was developed for beginning farmers to allow them to include sales made during the full crop year rather than on the tax year. Qualifying sales are limited to a maximum of $125,000 for individuals and up to five shareholders times the individual limit for a corporation. Preliminary estimates indicate that 19,500 farmers will receive a payment, which will be approximately 6.5 – 7 percent of each farmer's average qualifying sales. This provides up to $8,750 per individual farmer or $43,750 for corporations that have five shareholders with qualifying sales at the maximum level.

8 (c) Canada Manitoba Adjustment Program 2

Expenditures by Sub-Appropriation	Actual 2000/2001 $ (000's)	Estimate 2000/2001 FTE	Estimate 2000/2001 $ (000's)	Variance Over / (Under)	Expl. No.
-Grants/Transfer Payments	38,000.0		-	38,000.0	1
TOTAL EXPENDITURES	38,000.0		-	38,000.0	

1. *The variance over authority was due to the introduction of this program in 2000/01 to assist producers during the severe and prolonged decline in income due to low world market prices for grains and oilseeds.*

Amortization of Capital Assets (9)

Standard accounting practices in accordance with the Canadian Institute of Chartered Accountants require expenditures on tangible capital assets be amortized over the useful life of the asset. The cost of the capital assets are therefore recorded in Capital Investment (Part B) and then as an operating expense (Part A) over the periods of service provided by the assets.

In 2000/2001 the Department amortized tangible capital assets that included machinery and equipment, as well as the Department's share of the Desktop Management and Better Methods Initiative's costs. This included amortization on assets acquired during 2000/2001 (identified in Part B: Capital Investment) and existing assets as well. Tangible capital assets acquired during the year, with a value less than the accepted capitalization limit, were expensed in their respective operating areas.

9 Amortization of Capital Assets

Expenditures by Sub-Appropriation	Actual 2000/2001 $ (000's)	Estimate 2000/2001 FTE	Estimate 2000/2001 $ (000's)	Variance Over / (Under)	Expl. No.
Other Expenditures	806.0		834.1	(28.1)	
TOTAL EXPENDITURES	806.0		834.1	(28.1)	

PART B

CAPITAL INVESTMENTS

INFORMATION

Part B – Capital Investment

Capital investment provides for the acquisition of equipment. For more information on Tangible Capital Assets and their amortization see Vote 9.

Part B - Capital Investment

	Actual 2000/2001 $ (000's)	Estimate 2000/2001 FTE	Estimate 2000/2001 $ (000's)	Variance Over / (Under)	Expl. No.
Capital Investment	139.0	-	176.2	(37.2)	1
TOTAL	139.0	-	176.2	(37.2)	

1. *The variance under authority was primarily the result of asset purchases at lower prices than estimated.*

Appendix A
Manitoba Agriculture and Food
Part A - Program Expenditure Summary

for the year ended March 31, 2001 with comparative figures for the previous year

Actual 2000/2001 $ (000's)	Actual 1999/2000 $ (000's)	Increase/ (Decrease) $ (000's)	Expl. No.	Appropriation	2000/2001 Actual $ (000's)	2000/2001 Estimate $ (000's)	Variance Over/(Under) $ (000's)	Expl. No.
				03-1 Administration and Finance				
27.1	27.0	0.1		(a) Minister's Salary	27.1	27.3	(0.2)	
				(b) Executive Support:				
440.5	450.8	(10.3)		(1) Salaries and Employee Benefits	440.5	463.5	(23.0)	
88.8	76.0	12.8		(2) Other Expenditures	88.8	68.3	20.5	
51.0	65.7	(14.7)		(3) Policy Studies	51.0	71.2	(20.2)	
				(c) Financial and Administrative Services:				
694.0	742.5	(48.5)		(1) Salaries and Employee Benefits	694.0	771.3	(77.3)	
499.7	495.4	4.3		(2) Other Expenditures	499.7	546.1	(46.4)	
				(d) Information Technology Services:				
374.6	373.3	1.3		(1) Salaries and Employee Benefits	374.6	405.4	(30.8)	
69.2	69.0	0.2		(2) Other Expenditures	69.2	64.3	4.9	
				(e) Human Resource Management Services:				
245.7	258.4	(12.7)		(1) Salaries and Employee Benefits	245.7	265.0	(19.3)	
48.8	50.7	(1.9)		(2) Other Expenditures	48.8	51.3	(2.5)	
2,539.4	2,608.8	(69.4)		Total 03-1	2,539.4	2,733.7	(194.3)	

Appendix A
Manitoba Agriculture and Food
Part A - Program Expenditure Summary

for the year ended March 31, 2001 with comparative figures for the previous year

Actual 2000/2001 $ (000's)	Actual 1999/2000 $ (000's)	Increase/ (Decrease) $ (000's)	Expl. No.	Appropriation	2000/2001 Actual $ (000's)	2000/2001 Estimate $ (000's)	Variance Over/(Under) $ (000's)	Expl. No.
				03-2 Risk Management & Income Support Programs				
				(a) Manitoba Crop Insurance Corporation				
3,547.5	3,359.4	188.1		(1) Administration	3,547.5	4,211.4	(663.9)	
25,570.1	27,168.0	(1,597.9)	1	(2) Premiums	25,570.1	27,600.0	(2,029.9)	*
1,576.2	934.4	641.8	2	(3) Wildlife Damage Compensation	1,576.2	1,000.0	576.2	
18,883.5	19,775.1	(891.6)	3	(b) Net Income Stabilization Account	18,883.5	19,200.0	(316.5)	*
49,577.3	51,236.9	(1,659.6)		Total 03-2	49,577.3	52,011.4	(2,434.1)	
5,119.7	8,732.6	(3,612.9)	4	**03-3 Manitoba Agricultural Credit Corporation**	5,119.7	6,614.0	(1,494.3)	*
5,119.7	8,732.6	(3,612.9)		Total 03-3	5,119.7	6,614.0	(1,494.3)	

Appendix A
Manitoba Agriculture and Food
Part A - Program Expenditure Summary

for the year ended March 31, 2001 with comparative figures for the previous year

Actual 2000/2001 $ (000's)	Actual 1999/2000 $ (000's)	Increase/ (Decrease) $ (000's)	Expl. No.	Appropriation	2000/2001 Actual $ (000's)	2000/2001 Estimate $ (000's)	Variance Over/(Under) $ (000's)	Expl. No.
				03-4 Agricultural Development and Marketing				
				(a) Marketing and Farm Business Management:				
1,735.9	1,723.4	12.5		(1) Salaries and Employee Benefits	1,735.9	1,785.7	(49.8)	
1,365.5	1,269.2	96.3		(2) Other Expenditures	1,365.5	1,291.3	74.2	
360.9	349.6	11.3		(3) Agricultural Societies Grant Assistance	360.9	368.4	(7.5)	
42.9	79.1	(36.2)		(4) Other Grant Assistance	42.9	42.6	0.3	
				(b) Animal Industry:				
1,667.2	1,611.1	56.1		(1) Salaries and Employee Benefits	1,667.2	1,763.1	(95.9)	
1,312.8	454.2	858.6	5	(2) Other Expenditures	1,312.8	568.6	744.2	*
				(c) Veterinary Services:				
1,846.0	1,833.8	12.2		(1) Salaries and Employee Benefits	1,846.0	1,912.5	(66.5)	
717.0	722.8	(5.8)		(2) Other Expenditures	717.0	717.6	(0.6)	
494.8	511.2	(16.4)		(3) Grant Assistance - Operating	494.8	467.1	27.7	
299.9	597.4	(297.5)	6	(4) Grant Assistance - Capital	299.9	300.0	(0.1)	
-	(296.3)	296.3	7	(5) Less: Recoverable from Capital Initiatives	-	-	-	
				(d) Soils & Crops:				
2,566.4	2,378.8	187.6		(1) Salaries and Employee Benefits	2,566.4	2,924.0	(357.6)	*
1,046.4	999.4	47.0		(2) Other Expenditures	1,046.4	1,074.0	(27.6)	
817.7	436.5	381.2	8	(e) Irrigation Development	817.7	822.5	(4.8)	
1,011.9	1,233.4	(221.5)		(f) Food Development Centre	1,011.9	912.4	99.5	
15,285.3	13,903.6	1,381.7		Total 03-4	15,285.3	14,949.8	335.5	

Appendix A
Manitoba Agriculture and Food
Part A - Program Expenditure Summary

for the year ended March 31, 2001 with comparative figures for the previous year

Actual 2000/2001 $ (000's)	Actual 1999/2000 $ (000's)	Increase/ (Decrease) $ (000's)	Expl. No.	Appropriation	2000/2001 Actual $ (000's)	2000/2001 Estimate $ (000's)	Variance Over/(Under) $ (000's)	Expl. No.
				03-5 Regional Agricultural Services				
				(a) Northwest Region:				
2,128.7	2,038.5	90.2		(1) Salaries and Employee Benefits	2,128.7	2,169.0	(40.3)	
840.8	813.6	27.2		(2) Other Expenditures	840.8	849.2	(8.4)	
				(b) Southwest Region:				
2,438.6	2,401.4	37.2		(1) Salaries and Employee Benefits	2,438.6	2,363.3	75.3	
719.6	722.9	(3.3)		(2) Other Expenditures	719.6	743.8	(24.2)	
				(c) Central Region:				
2,171.3	2,207.5	(36.2)		(1) Salaries and Employee Benefits	2,171.3	2,288.8	(117.5)	
717.7	721.4	(3.7)		(2) Other Expenditures	717.7	722.9	(5.2)	
				(d) Eastern/Interlake Region:				
3,275.2	3,067.0	208.2		(1) Salaries and Employee Benefits	3,275.2	3,329.4	(54.2)	
1,178.1	1,194.7	(16.6)		(2) Other Expenditures	1,178.1	1,273.6	(95.5)	
				(e) Agricultural Crown Lands:				
648.6	642.2	6.4		(1) Salaries and Employee Benefits	648.6	622.1	26.5	
327.7	278.3	49.4		(2) Other Expenditures	327.7	287.9	39.8	
14,446.3	14,087.5	358.8		Total 03-5	14,446.3	14,650.0	(203.7)	

Appendix A
Manitoba Agriculture and Food
Part A - Program Expenditure Summary

for the year ended March 31, 2001 with comparative figures for the previous year

Actual 2000/2001 $ (000's)	Actual 1999/2000 $ (000's)	Increase/ (Decrease) $ (000's)	Expl. No.	Appropriation	2000/2001 Actual $ (000's)	2000/2001 Estimate $ (000's)	Variance Over/(Under) $ (000's)	Expl. No.
				03-6 Policy and Economics				
				(a) Economics:				
1,071.7	1,115.5	(43.8)		(1) Salaries and Employee Benefits	1,071.7	1,126.8	(55.1)	
362.8	297.1	65.7		(2) Other Expenditures	362.8	406.7	(43.9)	
				(b) Boards and Commissions Support Services:				
411.4	378.7	32.7		(1) Salaries and Employee Benefits	411.4	393.4	18.0	
591.2	572.1	19.1		(2) Other Expenditures	591.2	637.5	(46.3)	
2,437.1	2,363.4	73.7		Total 03-6	2,437.1	2,564.4	(127.3)	

Appendix A
Manitoba Agriculture and Food
Part A - Program Expenditure Summary

for the year ended March 31, 2001 with comparative figures for the previous year

Actual 2000/2001 $ (000's)	Actual 1999/2000 $ (000's)	Increase/ (Decrease) $ (000's)	Expl. No.	Appropriation	2000/2001 Actual $ (000's)	2000/2001 Estimate $ (000's)	Variance Over/(Under) $ (000's)	Expl. No.
				03-7 Agriculture Research and Development				
1,000.0	1,703.0	(703.0)	9	(a) Agri-Food Research and Development Initiative	1,000.0	1,000.0	-	
1,032.2	1,997.6	(965.4)	10	(b) Agricultural Sustainability Initiative	1,032.2	1,200.0	(167.8)	
768.3	768.3	-		(c) Grant to the University of Manitoba	768.3	768.3	-	
557.5	332.5	225.0	11	(d) Grant to the Prairie Agricultural Machinery Institute	557.5	557.5	-	
3,358.0	4,801.4	(1,443.4)		Total 03-7	3,358.0	3,525.8	(167.8)	

Appendix A
Manitoba Agriculture and Food
Part A - Program Expenditure Summary

for the year ended March 31, 2001 with comparative figures for the previous year

Actual 2000/2001 $ (000's)	Actual 1999/2000 $ (000's)	Increase/ (Decrease) $ (000's)	Expl. No.	Appropriation	2000/2001 Actual $ (000's)	2000/2001 Estimate $ (000's)	Variance Over/(Under) $ (000's)	Expl. No.
				03-8 Agriculture Disaster Aid Programming				
-	67,108.5	(67,108.5)	12	(a) Agricultural Income Disaster Assistance	-	-	-	
30,400.0	-	30,400.0	13	(b) Disaster Aid Programming	30,400.0	16,200.0	14,200.0	*
38,000.0	40,000.0	(2,000.0)	14	(c) Canada - Manitoba Adjustment Program 2	38,000.0		38,000.0	*
68,400.0	107,108.5	(38,708.5)		Total 03-8	68,400.0	16,200.0	52,200.0	
806.0	725.8	80.2		**03-9 Amortization of Capital Assets**	806.0	834.1	(28.1)	
806.0	725.8	80.2		Total 03-9	806.0	834.1	(28.1)	
161,969.1	205,568.5	(43,599.4)		**TOTAL: DEPARTMENT OF AGRICULTURE & FOOD**	161,969.1	114,083.2	47,885.9	

Note: Sustainable Development Innovations Fund (SDIF) allocated $119.3 in 2000/2001 for SDIF projects directed toward sustainable development within Agriculture and Food. See the Sustainable Development Innovations Fund 2000/2001 Annual Report for further information.

* Explanations for these variances can be found in the respective sub-appropriation detail.

Explanation Number

1 *The decrease in Premiums of ($1,597.9) was mainly due to decreases in crop values and premium rates and the introduction of the negative self-sustainability load. These were partially offset by increases in insured acres, probable yields, the introduction of Excess Moisture Insurance as a standard program feature and the addition of Open Pollinated Corn, Greenfeed and Hemp as insurable crops.*

2. *The increase in Wildlife Damage Compensation of $641.8 was mainly due to a significant increase in the number of big game claims on stored hay caused by the winter conditions of 2000/2001.*

3. *The decrease in Net Income Stabilization Account of ($891.6) was mainly the result of a decrease in eligible net sales due to the decline in grain and oilseed prices.*

4. *The decrease in Manitoba Agricultural Credit Corporation of ($3,612.9) was mainly the result of:*

   a) *$607.8 increase in Administration which was mainly due to i) increased staffing costs from general salary increase and severance accrual, ii) costs of the business function review and iii) decreased loan administration fee revenue due to lower loan activity than last year.*

   b) *($574.2) decrease in Net Interest and Loan Guarantees which was mainly due to i) increased net interest income due to lower financing costs by not having to borrow as much money throughout the year, and ii) one time income amount due to a revaluation of the provision requirement for Young Farmer Rebate (YFR) partially offset by an increase in the number of YFR eligible clients.*

   c) *($212.6) decrease in Flood Proofing Loan Assistance which was mainly due to reduced outstanding loan balances resulting in decreased valuation allowance and reduced interest costs due to declining loan activity as program activity winds down.*

   d) *($3,354.1) decrease in Manitoba Producer Recovery Program which was due to the reduction of the portfolio balance resulting in no additional requirement for a valuation allowance expense.*

5. *The increase in Animal Industry – Other Expenditures of $858.6 was mainly the result of i) the setting up of a valuation allowance for the Elk Management Fund primarily as a result of lower than anticipated prices and increase in costs resulting from the deferral of elk sales to meet Canada Food Inspection Agency testing requirements and ii) Livestock Development and Diversification information packages relating to non-traditional livestock opportunities and improving livestock operations' profitability and expenditures relating to enhancing health and safety awareness on farms.*

6. *The decrease in Veterinary Services – Grant Assistance – Capital of ($297.5) was the result of non-recurring funding of $300.0 in 1999/2000 to assist twenty-eight Veterinary Services Districts in upgrading or replacing existing infrastructure that was provided through Capital Initiatives.*

7. *The increase in Veterinary Services – Less: Recoverable from Capital Initiatives of $296.3 was the result of non-recurring funding of $300.0 in 1999/2000 to assist twenty-eight Veterinary Services Districts in upgrading or replacing existing infrastructure. These expenditures were fully recoverable from Capital Initiatives.*

8. *The increase in Irrigation Development of $381.2 was mainly the result of slower infrastructure development in 1999/2000 due to the time required to obtain environmental approvals and licensing.*

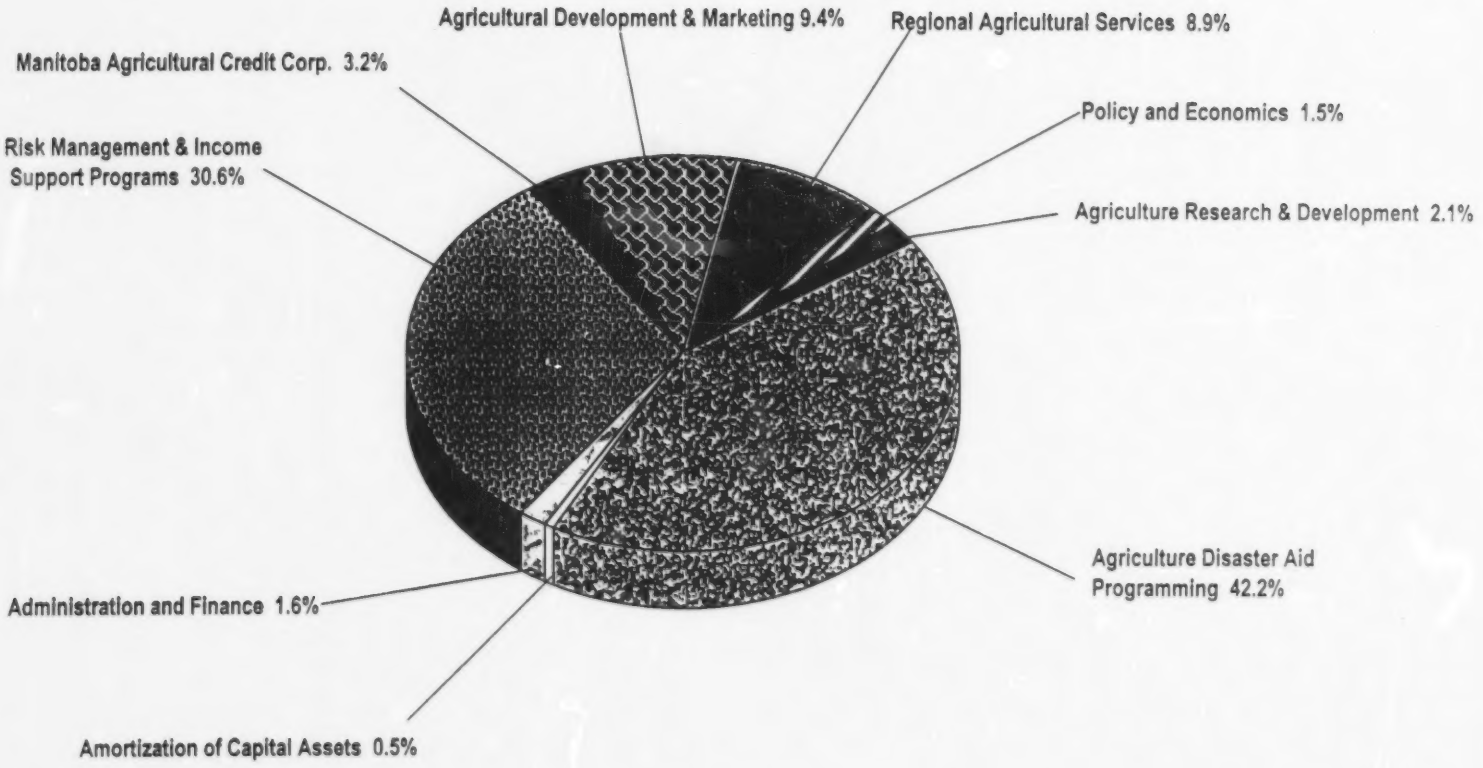
9. *The decrease in Agri – Food Research and Development Initiative (ARDI) of ($703.0) was mainly the result of reduced federal safety net funding.*

Explanation Number

10. *The decrease in Agricultural Sustainability Initiative of ($965.4) was mainly the result of additional funding provided in 1999/2000 in support of the Agrometeorological Centre of Excellence and the rural weather station network (AgMet Network).*
11. *The increase in Grant to the Prairie Agricultural Machinery Institute of $225.0 was the result of an additional one-time grant payment in 2000/2001 to upgrade the facilities in Portage and to enhance the Management Information System.*
12. *The decrease in Agricultural Income Disaster Assistance (AIDA) of ($67,108.5) was the result of the introduction of the Disaster Assistance Program in 1999/2000 and recording Manitoba's 40% share of the AIDA program of $21,108.5 for the 1998 tax year and $46,000.0 for the 1999 tax year. AIDA has been replaced by Canadian Farm Income Program for the 2000 tax year.*
13. *The increase in Disaster Aid Programming (Canadian Farm Income Program) of $30,400.0 was the result of the introduction of this program in 2000/2001.*
14. *The decrease in Canada – Manitoba Adjustment Program 2 (CMAP) of ($2,000.0) was the result of the reduced federal assistance available. The provincial share of the first CMAP program in 1999/2000 was $40,000.0 which assisted producers in adjusting to the elimination of transportation subsidies in light of very low grain prices. In 2000/2001 CMAP 2's provincial share was $38,000.0 which assisted producers during the severe and prolonged decline in income due to low world market prices for grains and oilseeds.*

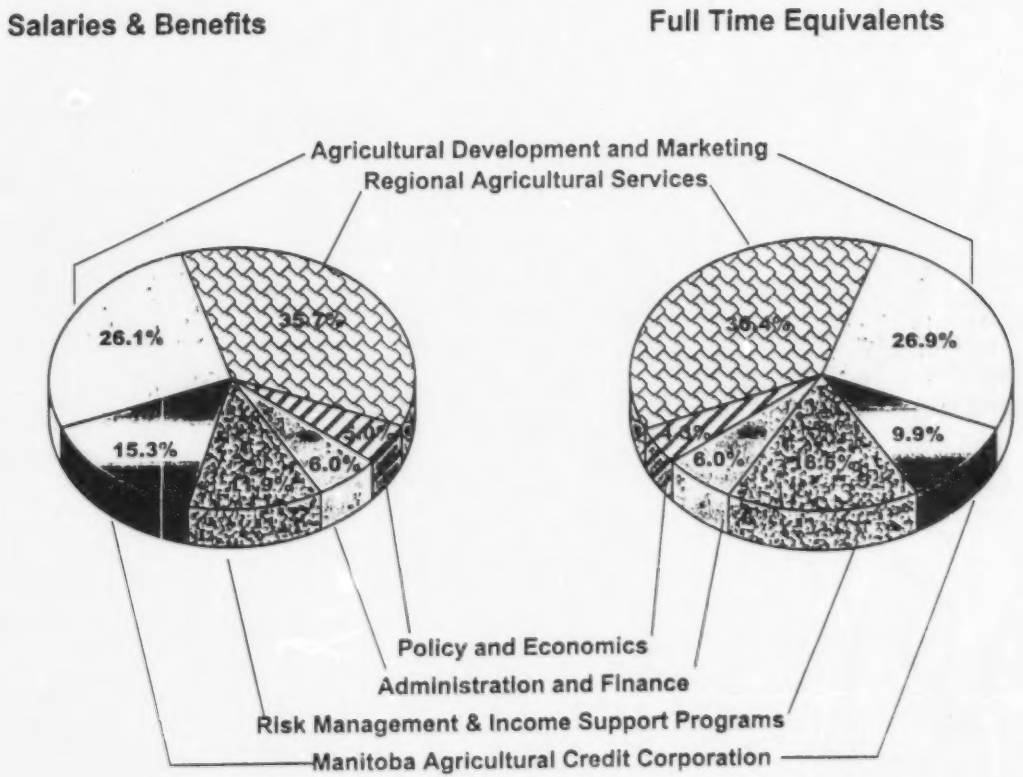
Manitoba Agriculture and Food

Distribution by Main Appropriation
2000/2001 Expenditures


Agricultural Development & Marketing 9.4%
Regional Agricultural Services 8.9%
Manitoba Agricultural Credit Corp. 3.2%
Policy and Economics 1.5%
Risk Management & Income Support Programs 30.6%
Agriculture Research & Development 2.1%
Agriculture Disaster Aid Programming 42.2%
Administration and Finance 1.6%
Amortization of Capital Assets 0.5%

Manitoba Agriculture and Food

Percentage Distribution of Salaries & Benefits and Full Time Equivalents - 2000/2001



Appendix A
Manitoba Agriculture and Food
Part B - Capital Investment Summary

for the year ended March 31, 2001

Actual 2000/2001 $ (000's)	Actual 1999/2000 $ (000's)	Increase/ (Decrease) $ (000's)	Expl. No.	Appropriation	2000/2001 Actual $ (000's)	2000/2001 Estimate $ (000's)	Variance Over/(Under) $ (000's)	Expl. No.
139.0	118.5	20.5		**Capital Investment**	139.0	176.2	(37.2)	*
139.0	118.5	20.5		Total	139.0	176.2	(37.2)	

* Explanation for this variance can be found in Part B - Capital Investment.

Appendix A
Manitoba Agriculture and Food
Revenue Summary By Source

for the year ended March 31, 2001 with comparative figures for the previous fiscal year

Actual 2000/2001 $ (000's)	Actual 1999/2000 $ (000's)	Increase/ (Decrease) $ (000's)	Expl. No.	Source	2000/2001 Actual $ (000's)	2000/2001 Estimate $ (000's)	Variance Over/(Under) $ (000's)	Expl. No.
				CURRENT OPERATING PROGRAMS:				
				Government of Canada:				
22.7	22.7	-		4-H Programs	22.7	22.7	-	
7.3	8.2	(0.9)		Rabies Indemnity	7.3	3.8	3.5	4
-	22,400.0	(22,400.0)	1	Agriculture Income Disaster Assistance	-	-	-	
30.0	22,430.9	(22,400.9)		Sub-Total	30.0	26.5	3.5	
				Other Revenue:				
2,228.6	2,207.9	20.7	2	(a) Fees	2,228.6	2,120.3	108.3	
372.9	4,025.4	(3,652.5)	3	(b) Sundry	372.9	910.5	(537.6)	5
2,601.5	6,233.3	(3,631.8)		Sub-Total	2,601.5	3,030.8	(429.3)	
2,631.5	28,664.2	(26,032.7)		Total Current Operating Programs	2,631.5	3,057.3	(425.8)	
-	-	-		REVENUES RELATED TO CAPITAL:	-	-	-	
2,631.5	28,664.2	(26,032.7)		Total Revenue	2,631.5	3,057.3	(425.8)	

Explanation Number

1. *The decrease for Government of Canada – Agriculture Income Disaster Assistance of ($22,400.0) was the result of an accrual recorded in 1999/2000 for the Manitoba Farm Disaster Assistance Program (MFDAP) recovery. An accrual was recorded for the Federal 1999 tax year AIDA commitments that the province paid through MFDAP.*
2. *The following Fee rate changes were implemented during the 2000/2001 fiscal year:*
   a) *Lease Rentals – Crown Lands: Effective January 1, 2000 from $1.56 to $1.58.*
   b) *Discontinuation of fee revenue earned through the Veterinary Medical Act as the act has been superseded by a new Veterinary Medical Act and no further revenues are to be realized.*
3. *The decrease for Other Revenue - Sundry of ($3,652.5) was mainly the result of recording the remaining provincial share of Gross Revenue Insurance Plan as revenue during 1999/2000.*
4. *The variance over estimate for Government of Canada – Rabies Indemnity of $3.5 was the result of a marked rise in the occurrence of rabies in wild animals resulting in more cases in domestic animals and therefore increased provincial indemnity payments for lost livestock.*
5. *The variance under estimate for Other Revenue - Sundry of ($537.6) was mainly the result of:*
   a) *($860.3)* *Elk Farming decrease due to not having an elk dispersal in 2000/2001.*
   b) *$270.9* *Gross Revenue Insurance Plan (GRIP): The overage was due to unbudgeted interest revenue that accumulated on the GRIP surplus to March 31, 2001.*

Appendix B
Manitoba Agriculture and Food
Five Year Expenditure and Staffing Summary by Appropriation

for years ending March 31, 1997 - March 31, 2001

		Actual / *Adjusted Expenditures									
		1996/97		1997/98		1998/99		1999/2000		2000/2001	
Appropriation		FTE	$ (000's)	FTE	$ (000's)	FTE	$ (000's)	FTE	$ (000's)	FTE	$ (000's)
03-1 Administration & Finance		40.39	2,494.8	39.39	2,491.5	36.39	2,541.0	36.39	2,608.8	36.39	2,539.4
03-2 Risk Management and Income Support Programs		88.00	47,903.6	88.00	52,731.2	88.00	52,204.3	98.00	51,236.9	100.00	49,577.3
03-3 Manitoba Agricultural Credit Corporation		49.00	5,649.1	49.00	7,675.7	49.00	7,477.6	49.00	8,732.6	60.00	5,119.7
03-4 Agricultural Development & Marketing		155.73	12,161.5	154.73	12,510.6	157.73	13,252.8	157.73	13,903.6	162.73	15,285.3
03-5 Regional Agricultural Services		219.87	11,978.8	218.87	12,554.6	218.87	13,295.3	218.87	14,087.5	220.87	14,446.3
03-6 Policy & Economics		27.19	2,007.1	26.19	2,043.5	26.19	2,092.0	26.19	2,363.4	26.19	2,437.1
03-7 Agriculture Research and Development		-	2,388.3	-	5,752.8	-	8,785.9	-	4,801.4	-	3,358.0
03-8 Agriculture Disaster Aid Programming	(1)	-	-	-	-	-	-	-	107,108.5	-	68,400.0
03-9 Amortization of Capital Assets		-	-	-	-	-	-	-	725.8	-	806.0
TOTAL: Department of Agriculture and Food		580.18	84,583.2	576.18	95,759.9	576.18	99,648.9	586.18	205,568.5	606.18	161,969.1

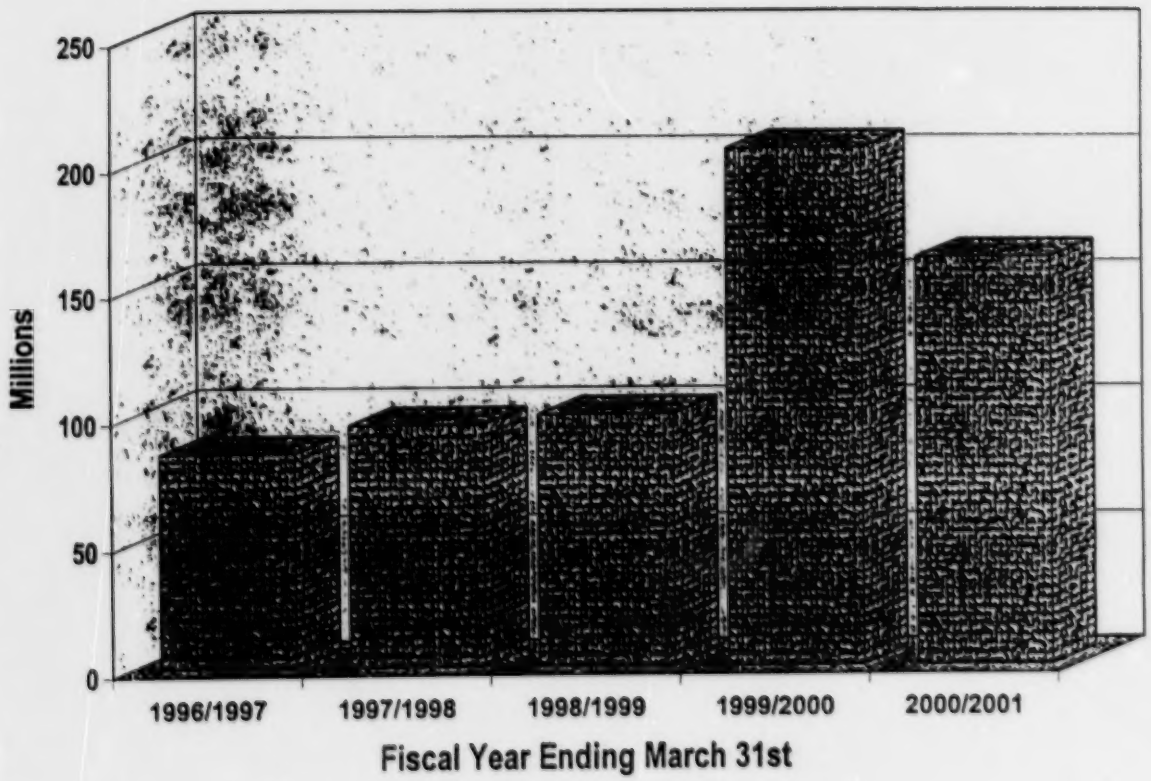
* Adjusted figures reflect historical data on a comparable basis, in those appropriations affected by a re-organization, during the years under review.

Note: 1) As of 2000/01, the Canada Manitoba Adjustment Program is reflected in Agriculture Disaster Aid Programming. In the prior year, it was itemized as a separate appropriation.

Manitoba Agriculture and Food

Five Year Expenditure History

for Years Ending March 31, 1997 to March 31, 2001



Appendix C
Manitoba Agriculture and Food
Reconciliation Statement

DETAILS	2000/2001 ESTIMATES $ (000's)
2000/2001 MAIN ESTIMATES	114,083.2
ALLOCATION OF FUNDS :	-
2000/2001 ESTIMATES	**114,083.2**

Appendix D

Manitoba Agriculture and Food
Statutory Responsibilities of the Minister of Agriculture and Food

The Agriculture Credit Corporation Act ..... A 10
The Agricultural Producers' Organization Funding Act ..... A 18
The Agricultural Productivity Council Act ..... A 20
The Agricultural Societies Act ..... A 30
The Department of Agriculture Act ..... A 40
The Agrologists Act ..... A 50
The Animal Care Act ..... A 84
The Animal Diseases Act ..... A 85
The Animal Liability Act ..... A 95
The Bee Act ..... B 15
The Cattle Producers Association Act ..... C 25
The Coarse Grain Marketing Control Act ..... C 140
The Crop Insurance Act ..... C 310
The Crown Lands Act [Sections 6, 7, 10, 12(1), 14, 16, 17, 18, 21, 23, and 24 to 28 both inclusive, insofar as they relate to the administration of Crown Lands which may be designated by the Minister of Conservation as Agricultural Crown Lands, and Agricultural Crown Lands Grazing and Hay Permits Regulation (Manitoba Revised Regulation 288/88) and Forage Leases Regulation (46/88 R)] ..... C 340
The Dairy Act ..... D 10
The Family Farm Protection Act ..... F 15
The Farm Income Assurance Plans Act ..... F 30
The Farm Lands Ownership Act ..... F 35
The Farm Machinery and Equipment Act ..... F 40
The Farm Practices Protection Act ..... F 45
The Fruit and Vegetable Sales Act ..... F 180
The Horse Racing Regulation Act ..... H 100
The Land Rehabilitation Act ..... L 50
The Livestock and Livestock Products Act ..... L 170
The Livestock Industry Diversification Act ..... L 175
The Margarine Act ..... M 30
The Milk Prices Review Act ..... M 130
The Natural Products Marketing Act ..... N 20
The Noxious Weeds Act ..... N 110
The Pesticides and Fertilizers Control Act ..... P 40
The Plant Pests and Diseases Act ..... P 90
[Except that portion of clause 16(c) that pertains to arborists and clause 16 (i)]
The Seed and Fodder Relief Act ..... S 80
The Veterinary Medical Act ..... V 30
The Veterinary Science Scholarship Fund Act ..... V 40
The Veterinary Services Act ..... V 50
The Wildlife Act [Section 89(e) that applies to compensation for damage to crops caused by wildlife as it pertains to big game and migratory waterfowl] ..... W 130
The Women's Institutes Act ..... W 180

Appendix E
Manitoba Agriculture and Food
Elk Management Fund

Balance Sheet
As at March 31, 2001
(with 2000 figures for comparison)

		2001	2000
Assets			
	Funds on deposit with the Province	$ 250	$ 766
	Accounts Receivable - Note 1c, 5	-	152,800
	Inventory - Note 1, 3	-	446,446
		250	600,012
Liabilities and Fund Balance			
	Accounts Payable	-	106,200
	Loan Advance from the Province - Note 4	750,822	261,288
		750,822	367,488
	Accumulated Fund Balance - Note 2, 3	(750,572)	232,524
		$ 250	$ 600,012

Statement of Revenue and Expenditures
For the Year Ended March 31, 2001
(with 2000 figures for comparison)

		2001	2000
Revenue - Note 3			
	Antler Velvet/Elk Manuals	50	-
	License Fees	4,250	2,700
	Course Registration	800	-
		5,100	2,700
Expenditures - Note 1			
	Administration	18,159	16,123
	Interest	34,551	4,540
		52,710	20,663
Excess of Expenditures over Revenue		(47,610)	(17,963)
Extraordinary loss - Note 5:			
Loss on Recovery of Expenditures		(326,000)	-
Loss on Writedown of Inventory to Current Market Value		(609,486)	-
Net Expenditures over Revenue after Extraordinary Loss		($983,096)	($17,963)

Appendix E
Manitoba Agriculture and Food
Elk Management Fund

Notes to Financial Statements
For the Year Ended March 31, 2001

1. Significant Accounting Policies

(a) The financial statements of the fund are prepared using the accrual basis of accounting. The 2000 comparative figures have been restated to conform to current practices.

(b) Expenditures related to the capture and holding of elk is capitalized as inventory and will be expensed when the corresponding revenue, from the dispersal of the captured elk, is recognized.

(c) Expenditures which were incurred on behalf of private landowners and Manitoba First Nations Elk and Bison Council.

(d) Captured elk in holding facilities as at March 31, 2001 remain assets of the Crown and therefore have not been included in the value of the inventory.

2. Nature of Fund

The Elk Management Fund was established under the authority of the Livestock Industry Diversification Act and the Elk Game Production Regulation. The Minister established a management fund for the purpose of funding:

(a) Programs for the protection and enhancement of elk and their habitat.

(b) The capture of elk from the wild, and their maintenance and disposition.

(c) Elk research programs and demonstration projects.

(d) Costs associated with administering the Act.

3. Sale of Elk

Due to an extended testing period mandated by the Canadian Food Inspection Agency (CFIA); the elk could not be sold in 2000. Testing is expected to be complete by the Fall of 2001. There were no elk captured in 2001.

4. Loan Advance Province of Manitoba

Interest is charged at prime plus two per cent per annum. Repayment of the advances is due to the Province of Manitoba upon the sale of elk.

5. Extraordinary Loss

This loss is due to declining elk prices, delay in elk dispersal because of CFIA testing requirements, land access payments for the capture of elk and the non-recovery of expenditures from private landowners and Manitoba First Nations Elk and Bison Council (MFNEBC). These factors have resulted in the writing down of the Fund inventory to fair market value ($609,486) and allowance for non-recovery of receivables ($326,000) arising from expenditures incurred on behalf of private landowners and MFNEBC at March 31, 2001. It is expected that the Elk Management Fund will have an accumulated deficit of $765,245 by the end of Fiscal 2001/02.